

2001 Annual Report

Arkansas Public Service Commission Utilities Division



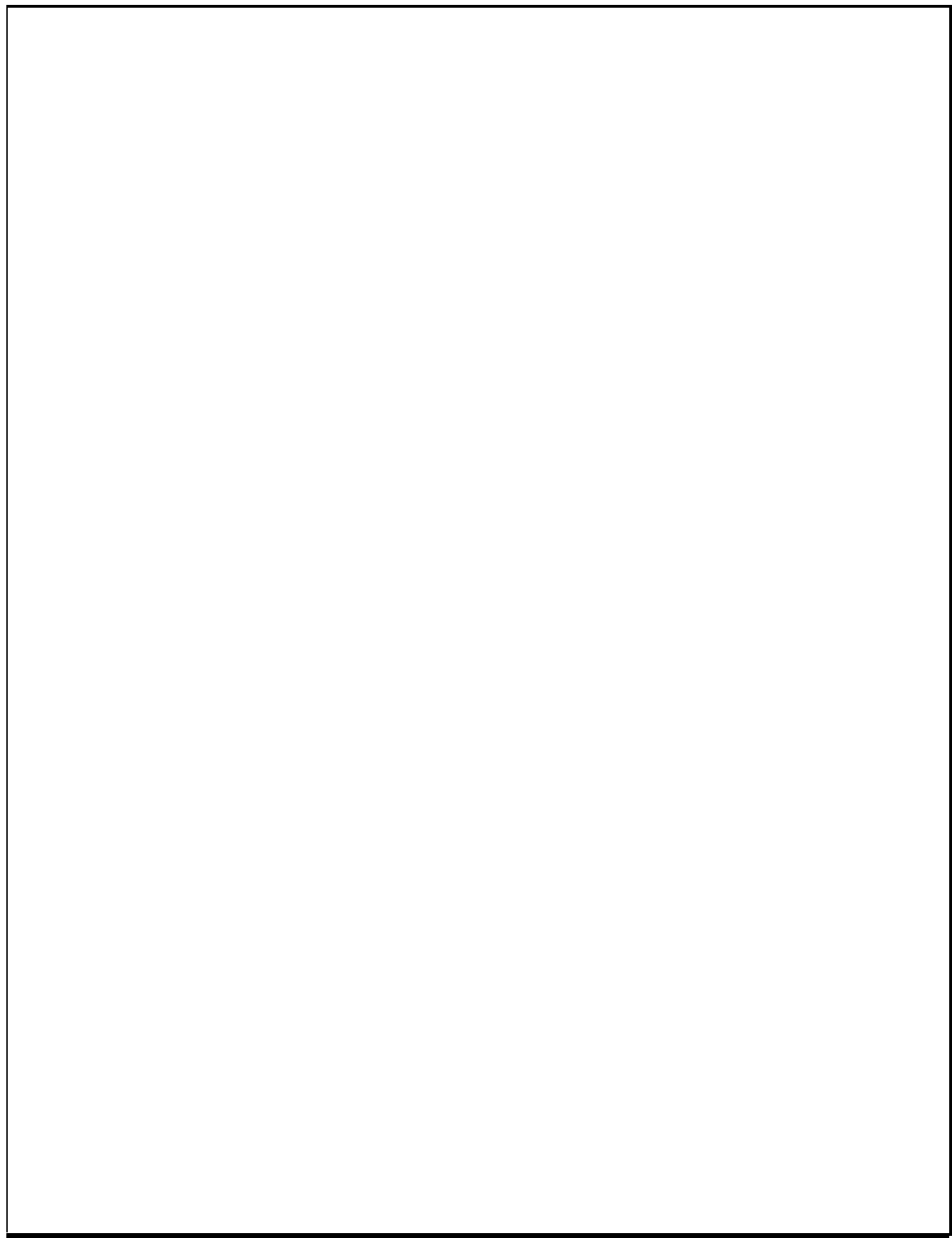
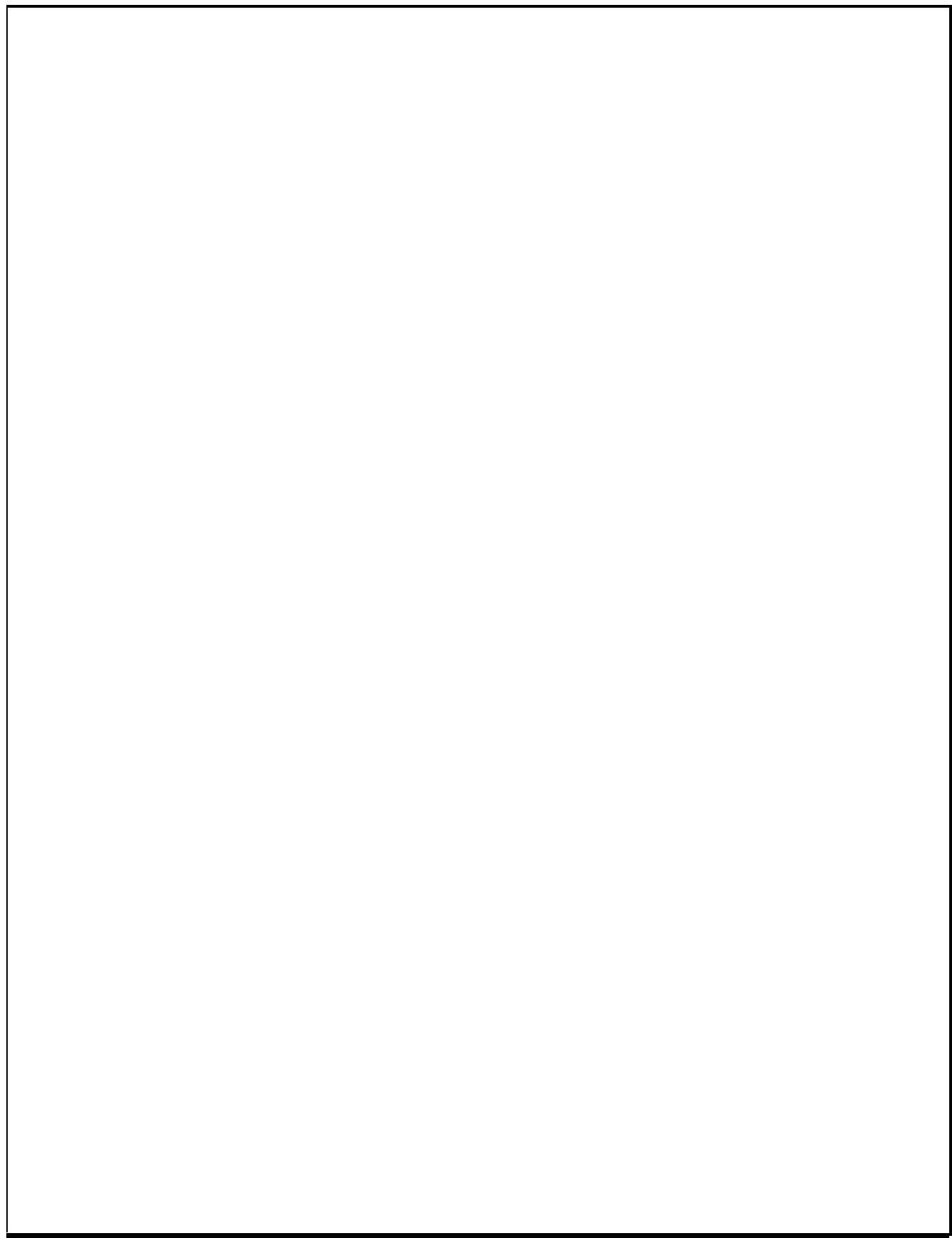


TABLE OF CONTENTS

Section 1	Introduction	5
Section 2	Agency Organization	6
Section 3	Docket Summary and Industry Highlights	12
Section 4	Commission Review of Utility Operations	17
Section 5	Consumer Services	19
Section 6	Federal Agency Activity	24
Section 7	Other Activity	29
Appendix A	Jurisdictional Utilities	30
Appendix B	Statistical Summaries	38
Appendix C	Receipts and Disbursements	65



SECTION 1 - INTRODUCTION

The Arkansas Public Service Commission (Commission or APSC) has general regulatory authority over electric, gas, telecommunications, water and sewer services which are provided to the public for compensation. The Commission is charged with the duty of ensuring that a public utility charges rates that will allow it the opportunity to earn a fair return on invested capital and that the customer does not pay more than necessary to produce a fair return to the utility for its service.

The General Assembly enacted the Telecommunications Regulatory Reform Act (Act 77) of 1997 which, in conjunction with the Federal Telecommunications Act of 1996, provided for the introduction of competition in the local exchange market. All but four of the incumbent local exchange carriers have elected an alternative regulatory framework pursuant to Act 77, and the Commission's rate regulation of those incumbent local exchange carriers was essentially eliminated.

The General Assembly enacted The Electric Consumer Choice Act (Act 1556) of 1999 which provides for the introduction of retail competition into the electric utility industry, the regulation of new energy service providers, and the recovery of stranded costs. Act 1556, as amended by Act 324 of 2001, provides for a competitive retail electric market that gives retail customers the opportunity to choose a provider of electricity and that encourages full and fair competition among providers of electricity to be established on October 1, 2003, but may be delayed to no later than October 1, 2005. In its Report to the General Assembly Pursuant to Act 324 on the Development of a Competitive Electric Market and Possible Impact on Consumers, submitted on December 20, 2001, the Commission recommended that the General Assembly consider either a repeal of the statute or a complete suspension of the current statute for a considerable period of time, perhaps going out to 2010 or 2012.

Currently, the Commission does not have regulatory authority over municipally-owned or operated utilities. Additionally, the Commission has limited jurisdiction over small water and sewer utilities and most telecommunications utilities. More specifically, small water and sewer utilities are not subject to Commission jurisdiction unless either the utility or its customers petition the Commission to exercise its regulatory jurisdiction over that utility.

In compliance with Ark. Code Ann. §23-2-315 (2001 Supp.), the Commission submits an annual report to the Governor during the month of April. This Report focuses on Commission regulatory authority, organization, and activities during 2001. The following sections of this Report describe the agency organization (Section 2); summarize the highlights of Commission proceedings in each of the utility industries (Section 3); describe other non-docketed reviews conducted during 2001 (Section 4); provide information on customer complaint resolution (Section 5); summarize the Commission's efforts in federal utility proceedings (Section 6); and set forth our participation in national utility regulatory organizations (Section 7).

The utilities under the Commission's jurisdiction in 2001 are listed in Appendix A. These utilities generate annual revenues in Arkansas of approximately \$5.2 billion, of which \$3.9 billion are jurisdictional revenues. Details of the revenues for each utility and other utility-specific statistics, as reported to the Commission in 2001 for the year 2000, are included in Appendix B. To finance its regulatory operations, the Commission is authorized to levy and collect an annual fee based proportionally on the gross earnings of each utility. The APSC receipts and disbursements for 2001 are outlined in Appendix C.

This Report is also available on the Commission website www.state.ar.us/psc.

SECTION 2 - AGENCY ORGANIZATION

The APSC consists of three Commissioners appointed by the Governor for overlapping six-year terms. The agency has 114 regular staff positions divided into two Divisions: the Utilities Division and the Tax Division.

The Commissioners have oversight responsibility for both Divisions. This report addresses Utilities Division activities. The Tax Division submits a separate report biennially.

The Utilities Division, including our federally reimbursed Pipeline Safety Office, has 99

authorized regular positions. This total includes the Commissioners and their immediate staff, which encompasses their Administrative Law Judges and Legal Section, Research and Policy Development Section, the Office of the Secretary of the Commission, the Administrative Services Section, the Information Technology Section, and the Executive Director including the seven General Staff Sections. A list of all Sections with their assigned number of positions, the organization chart, and a brief description of the responsibilities of each Section follow.

Position Summary

Organization Component	Number of Positions
Commissioners	3
Commissioners' Staff	
Administrative Law Judges and Legal	7
Research and Policy Development	6
Secretary of the Commission	6
Administrative Services	6
Information Technology	6
Support Staff	2
General Staff	
Executive Director's Office	3
Competitive Services	
Electric Utilities	8
Telecommunications Utilities	3
Quality of Service	3
Gas and Water Utilities	4
Pipeline Safety	7
Financial Analysis	8
Audits	9
Legal	8
Customer Services	10
TOTAL	99

Organization Chart

COMMISSIONERS

Chief Administrative Law Judge

**Administrative Law Judges
and Legal**

**Research and Policy
Development**

**Office of
Secretary of the Commission**

Administrative Services

Information Technology

Executive Director

Rural Liaison

Competitive Services

Electric Utilities

**Telecommunications Utilities and
Quality of Service**

Gas and Water Utilities

Pipeline Safety

Financial Analysis

Audits

Legal

Consumer Services

COMMISSIONERS

With both quasi-legislative and quasi-judicial authority the Commissioners render decisions covering a wide spectrum of issues including policy matters, rates, tariffs, territory allocations, utility plant construction sitings and bond issues.

The Commissioners' Staff, under the direction of the Chief Administrative Law Judge, is comprised of five Sections: (1) the Administrative Law Judges and Legal Section; (2) the Research and Policy Development Section; (3) the Office of the Secretary of the Commission; (4) the Administrative Services Section; and (5) the Information Technology Section. Responsibilities of each Section are described below.

COMMISSIONERS' STAFF

Administrative Law Judges and Legal Section

This Section is comprised of Administrative Law Judges and attorneys. The Administrative Law Judges render decisions in dockets delegated to them by order of the Commission. Attorneys in this Section also advise and represent the Commission on various state and federal legal matters.

Research and Policy Development Section

This Section, under the supervision of the Director of Research and Policy Development, is the technical arm of the Commissioners' Staff, with personnel specializing in the telecommunications, electric, natural gas, and water industries, as well as in economic, legal, and accounting matters. This Section provides technical and policy advice to the Commissioners in both state and federal proceedings and actively participates as expert witnesses before the Federal Energy Regulatory Commission. This Section also presents testimony and/or comments on behalf of the Commission before the Federal Communications Commission and the Securities and Exchange Commission.

Office of the Secretary of the Commission

All documents filed with the Commission and all orders issued by the Commission are processed by this Office. Official Commission records such as docket files, tariffs, and annual reports are also maintained in this area. This Office provides the public with access to official Commission records either directly as requested or through the Commission's Internet web site.

Administrative Services Section

Staff members assigned to the Administrative Services Section provide administrative support for the Utilities Division. This Section is comprised of two units: the Fiscal/Personnel Office and the Mail/Supply/Copy Center.

Fiscal/Personnel staff members prepare initial budgets; handle purchasing, accounting, inventory control and payroll; assist in developing assessments for the APSC's operating budget; and assist with the Federal Department of Transportation Pipeline Safety Grant. Maintaining personnel records, screening and processing job applicants, conducting new employee orientation, and coordinating employee training and management classes are other functions performed by the Fiscal/Personnel Office.

The Mail/Supply/Copy Center handles internal mail distribution, photocopying, central supplies, and maintenance of the agency vehicle fleet.

Information Technology Section (IT)

IT is the agent for implementing technology solutions to further Commission initiatives. IT supports the entire agency. The primary missions of IT are personal computer and network operations for general office functions such as office automation, electronic mail, internet research, file and print sharing; system development and maintenance for the Tax Division tax assessment systems; and Commission operations support including enhancing electronic communication with external parties and citizens.

GENERAL STAFF

Office of the Executive Director

The Executive Director is responsible for the overall management of the General Staff of the Utilities Division. Staff members in the Utilities Division perform a wide variety of responsibilities which are accomplished through the seven Sections described below. In addition to the members of these seven Sections, the Rural and Community Liaison position also reports to the Executive Director. The liaison is actively involved in community outreach and educational programs for community, business, and customer groups across the State.

Competitive Services

Competitive Services monitors and evaluates competitive market issues as they relate to both the electric and telecommunications industries and is comprised of the Electric Utilities and the Telecommunications Utilities and Quality of Service sections. This group is involved in evaluating the impact on rates of implementing competitive retail electric markets in Arkansas and the implications of FERC initiatives regarding electric restructuring. This group also evaluated whether Southwestern Bell Telephone had taken the statutorily required steps to open its local exchange and exchange access markets to competition with regard to its application to provide in-region interLATA services. In addition, this group is responsible for developing rules and guidelines for implementing legislative initiatives including Act 1771 of 2001 to establish a grant program for the extension of telecommunication facilities to unserved citizens, Act 1769 of 2001 to authorize the establishment of a calling plan, Act 1842 of 2001 to revise the carrier common line pool, and Act 1781 of 2001 to promote renewable energy development.

Electric Utilities Section

The Electric Utilities Section monitors the activities, operations, costs, and earnings of the four investor-owned and eighteen rural electric cooperatives

under the Commission's jurisdiction. Section responsibilities cover all aspects of utility regulation and include determination of revenue requirement, rate design, accounting and finance. Each member of the Section identifies issues, analyzes the impact of those issues on the utility and the ratepayer, and develops and presents expert testimony before the Commission. The Section also conducts compliance audits for utilities with approved automatic adjustment clauses. Members of this Section perform special project analyses, conduct general and special issue audits and investigations, and provide technical evaluations relating to customer complaints.

With the passage of the Electric Consumer Choice Act of 1999, as amended by Act 324 of 2001, the Electric Section also assumes responsibilities in all aspects of electric restructuring and the implementation of consumer choice.

Telecommunications Utilities and Quality of Service Section

The Telecommunications and Quality of Service Section is responsible for certification, rate, financial, accounting, technical, and quality of service matters specific to the telecommunications industry and is responsible for power line construction certification, technical, and quality of service matters specific to the electric industry.

Staff members interact with both investor-owned and cooperative electric utilities, local exchange carriers, interexchange carriers, pay telephone service providers and the public. That interaction is necessary to be responsive to changes in the industries, introduction of new services, effects of federal regulatory actions and questions and service problems of the public. This Section conducts an ongoing evaluation of the quality of service provided by both electric utilities and local exchange carriers in Arkansas. That evaluation measures the utilities' performance against the Commission's *General Service Rules* and *Special Rules - Electric* and the carriers' performance against the Commission's *Telecommunications Providers Rules* and is administrated to ensure that each utility and carrier is evaluated at least once every two years.

Natural Gas and Water Utilities Section

The Natural Gas and Water Utilities Section has two distinct functions. Natural Gas and Water Staff members primarily focus on financial and rate matters concerning natural gas, water and sewer utilities. They must understand and evaluate the complex rate structures and the earnings requirements of the four natural gas utilities, four water utilities, and two sewer utilities currently under the Commission's jurisdiction. They also conduct compliance audits for utilities with approved automatic adjustment clauses.

This Section also contains the Pipeline Safety Office. The role of the Pipeline Safety Office members is to ensure that natural gas operators are in compliance with the *Arkansas Gas Pipeline Code*. Compliance is determined through periodic inspections of safety, corrosion, and leakage control which are performed on 22 intra-state natural gas operators and 209 operators covering 361 master-metered gas systems.

Financial Analysis Section

The Financial Analysis Section performs various financial and economic analyses, evaluates depreciation rates and capital recovery issues, assesses the required rate of return and other financing issues for jurisdictional utilities, participates in all rate case proceedings and reviews of earnings levels, conducts focused investigations, and develops Staff's position on various regulatory issues, including nuclear decommissioning, mergers, stranded costs, transition costs and other electric restructuring issues. Staff personnel specialize in utility industries as well as economic, financial, and accounting matters. Each member of the Section presents recommendations to the Commission through pre-filed expert testimony, oral testimony, and cross-examinations during public hearings.

Audits Section

The Audits Section participates in all rate case proceedings. Section staff members conduct extensive reviews, audits, and analyses of rate case applications; conduct ongoing reviews of the earnings levels of public utilities; evaluate transactions between regulated utility companies and their affiliates; and conduct compliance audits.

Legal Section

Attorneys on the General Staff perform a dual function at the Commission. They represent the Staff in proceedings before the Commission and represent the Commission in matters and proceedings outside the Commission, such as appellate cases and appearances before federal regulatory commissions. Additionally, Legal Section attorneys act as Commission hearing officers in certain designated dockets.

Consumer Services Section

The Consumer Services Section works with customers to answer questions and resolve complaints about the rates and services of regulated utilities. Staff members review all complaints for compliance with APSC rules and approved utility tariffs and act as liaisons with utilities in resolving those complaints. This Section also provides educational brochures and materials and makes group presentations as needed.

Another responsibility of the Consumer Services Section is customer service audits of jurisdictional utility companies. The audits consist of a thorough review of utility policies and procedures. The objective is the identification of opportunities for improvements, and recommendations are often made to ensure compliance with Commission Rules.

Rural and Community Liaison

The Rural and Community Liaison serves as a communications link between the Commission and utility customers in Arkansas, particularly those in rural areas. The Liaison is responsible for providing information to communities and utility customers concerning utility matters within the jurisdiction of the Commission. The Liaison is also responsible for identifying questions and concerns that utility customers may have concerning utility issues and communicating those concerns to the Commissioners and the Commission Staff. The Liaison works with stakeholders in rural areas and communities, including legislators, civic and community leaders, customers and customer groups, and utility personnel.

During the past year, the Liaison has met with numerous civic and community organizations, legislators and rural utility customers throughout the State regarding utility matters and issues pending before the Commission. The Commissioners and the Executive Director have also participated in this community outreach effort visiting with community leaders throughout the State. The Commissioners' outreach efforts within the past year have taken the Commissioners and/or their representatives into over 93 communities in 75 counties. Through these efforts, the Commissioners and Staff continue to gain a better understanding of customers' needs and what type of information is necessary to provide answers to their utility questions and concerns.

SECTION 3 - DOCKET SUMMARY & HIGHLIGHTS

As shown in the tables below, 302 new dockets were initiated during 2001 and 973 orders issued. Highlights of the significant proceedings for each industry during 2001 follow.

2001 Docket Activity Summary

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Total
New Dockets	23	10	31	46	30	17	34	18	15	32	24	22	302
Filings	342	300	281	364	300	285	270	329	283	336	295	228	3,613
Hearings	3	4	2	4	12	6	3	3	4	5	7	4	57
Hearing Days	3	4	2	4	8	5	3	3	4	5	7	3	51
Total	371	318	316	418	350	313	310	353	306	378	333	257	4,023

Summary Schedule of Orders Issued In 2001

Order Type	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Electric	29	25	18	25	21	19	18	20	25	25	18	10	253
Gas	7	7	3	5	3	5	12	5	5	5	12	7	76
Telephone	64	34	52	63	64	45	34	61	46	52	53	40	608
Water	0	0	0	0	0	0	0	0	0	1	0	0	1
Sewer	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	2	9	0	0	2	0	17	0	1	2	0	2	35
Total	102	75	73	93	90	69	81	86	77	85	83	59	973

Industry Highlights

Electric Industry

The Electric Consumer Choice Act of 1999, Act 1556, was amended by passage of Act 324 of 2001. The amendments to Act 1556 were the result of recommendations by the Commission contained in its November 29, 2000 Progress Report to the General Assembly on the Development of Competition in Electric Markets and the Impact on Retail Customers. The specific amendments (1) changed the date for initiating retail competition in Arkansas from January 1, 2002, to not earlier than October 1, 2003, nor later than October 1, 2005; (2) clarified that the Commission may delay the implementation of retail open access upon findings that most customers would not have a reasonable opportunity to realize net benefits, specifically including relative price benefits for residential and small business customers, and that demonstrably effective wholesale market structures are not in place; and (3) allowed utilities to withdraw their notices to seek stranded cost recovery.

As a result of the delay in the implementation date of retail open access, most of the docket activity initiated to implement Act 1556 was suspended in the first quarter of 2001. In July 2001, the Commission entered an order in Docket No. 00-190-U requesting the parties to respond to specific questions about forecast prices under continued regulation compared to retail competition and questions about the anticipated market readiness for competition. Based on the information submitted to the Commission, in its Report to the General Assembly Pursuant to Act 324 on the Development of a Competitive Electric Market and Possible Impact on Consumers, submitted on December 20, 2001, the Commission recommended that the General Assembly consider either a complete suspension of the current statute for a considerable period of time, perhaps going out to 2010 or 2012, or a repeal of the statute.

In the 1996 rate review of Entergy Arkansas, the Commission approved a settlement providing for

the acceleration of Grand Gulf payments and the establishment of a Transition Cost Account (TCA) to accumulate any excess earnings. These measures were implemented to address potential stranded costs. A review was set for 2000 to determine whether these measures should continue. The Commission found that the Grand Gulf acceleration should be terminated effective July 1, 2001 while the TCA procedure continued.

The fourth year of Entergy Arkansas' Regulatory Earnings Review Tariff, designed to capture any excess earnings on a current basis, credited \$20.3 million to the TCA. The funds accumulated in the TCA are being set aside to pay, either in whole or in part, any EAI retail stranded costs determined to be recoverable by the Commission. If the funds, including interest, are not needed for such stranded cost recovery, then the Commission will determine the manner in which the TCA balance is refunded to ratepayers.

In December 1999, Entergy Arkansas had filed with the Commission, pursuant to Act 1556, its notice of intent to seek stranded cost recovery. In December 2001, the Company withdrew its notice.

In December 2000, the State of Arkansas was hit by two separate winter storms. Both storms caused extensive damage to the distribution and transmission facilities of jurisdictional electric utilities. In April 2001, Entergy Arkansas filed an Application for Approval of Storm Recovery Rider, and in December 2001 filed an Application for Approval to Use the Transition Cost Account Funds to Pay for the Ice Storm Costs. In March 2002, the General Staff, Arkansas Attorney General and Entergy Arkansas entered a settlement which provides for the TCA balance to be used to offset storm costs and base rates to be stabilized through the end of 2003. A hearing is scheduled in April 2002.

As a result of a challenge by the Arkansas Public Service Commission and regulators from the other states served by Entergy, the Federal Energy Regulatory Commission (FERC) recently issued a

decision that resulted in a \$54.3 million refund to Entergy Arkansas for reduced charges for Grand Gulf power from December 1995 through November 2001, the refund period. The APSC approved the method to determine the amount Entergy Arkansas should refund to those who were customers all or part of the refund period and ordered refunds be made by check. Entergy Arkansas mailed refund checks to its retail customers in late February and early March 2002. Refunds of less than \$1.00 were credited to active accounts.

In June 2001, the Nuclear Regulatory Commission (NRC) granted Entergy Arkansas' request to extend the license for its Arkansas Nuclear One (ANO) Unit 1 for twenty years (through 2034). Entergy Arkansas has stated its intention during 2003 to also seek license extension for ANO Unit 2. The Commission will continue on an annual basis to review the status of license extension and the adequacy of the decommissioning trust funds. The Commission suspended the collection of decommissioning funds effective January 1, 2000. As of December 31, 2001, the amounts collected and held in external trusts had a market value of \$350 million.

Gas Industry

The Commission initiated two significant dockets that affected all three natural gas utilities in Arkansas: Arkansas Oklahoma Gas Corporation (AOG), Arkansas Western Gas Company (AWG) - Northwest Arkansas Region and Northeast Arkansas Region, and Reliant Energy Arkla, a division of Reliant Energy Resources Corp. (Arkla).

Recognizing that there were approximately 29,500 homes disconnected from natural gas service for non-payment and another 7,549 were scheduled for disconnection for past due gas bills, the Commission opened Docket No. 01-248-U for the consideration of a Temporary Low Income Customer Gas Reconnection Policy (TLICGRP). The Commission stated that it was in the public interest for a program to be developed to help low income families in Arkansas get their natural gas

service reconnected before the onset of cold winter weather. After the submission of written comments and a public hearing, the Commission ordered utilities to reconnect customers whose household income was 200% of the Federal poverty guidelines or less, provided that customers paid the utility's reconnection charge, agreed to go on average monthly billing, and paid their previous past due gas bills. The repayment could be made over a period of up to 36 months. When the enrollment period ended on December 31, 2001, 7,459 customers had signed up for the program. Arkansas Gas Consumers, Inc. (AGC) has appealed the TLICGRP adopted by the Commission. AGC's petition to stay implementation of the TLICGRP pending appeal was denied by the Arkansas Supreme Court. During April 2002, briefs were filed by all parties.

Also during 2001, the Commission initiated a Notice of Inquiry (NOI) in response to the significant increase in the market price utilities pay to purchase natural gas which is then sold to their customers. The Commission believed it was important to explore alternative purchasing and regulatory mechanisms that could alleviate the impact of high gas prices on customers. Through the NOI, the Commission gathered information about utility hedging programs; hedging program procedures; financial accounting and report procedures; fixed gas price options; and other issues. After written comments and a public hearing, the Commission issued its Policy Principles for Gas Procurement Plans of Utilities. The Commission has initiated the rulemaking phase of the NOI to develop proposed rules based on the policy principles. The schedule for written comments and a public hearing have been set for 2002.

Pursuant to Commission order, Arkla and AWG filed their gas procurement plans for review and approval. AWG's gas procurement plan has been approved by the Commission and Arkla's is currently under review.

During 2001, Arkla filed an application to increase rates by approximately \$47 million. Arkla's request is under review. Following its investigation, Staff will file written testimony and

exhibits containing its recommendation. A public hearing is scheduled to occur in 2002.

A significant under-recovery of its purchased gas costs, caused by last winter's record cold weather and unprecedented natural gas costs, prompted AWG to request a surcharge to assist in a more timely recovery of those costs. The Commission approved AWG's request for a \$0.30 per Ccf surcharge lasting for three billing cycles. Also, AWG requested and was granted a Certificate of Environmental Compatibility and Public Need to construct, operate, and maintain a natural gas pipeline in Washington County, Arkansas. AWG stated the pipeline was needed to meet the increasing load requirements on its pipeline system and to provide reliable access to interstate gas markets transporting to the Applicant's system.

AOG notified the Commission in 2001 of its intent to seek a rate increase. In February 2002, AOG filed its application requesting a \$7 million increase. An order on the Company's request is due in late 2002. Also, AOG filed requesting Commission authorization to recover costs associated with its purchase of synthetic storage services through its cost of gas adjustment clause. The Commission approved AOG's request.

In 2001, General Staff initiated a Cease and Desist Motion regarding W.F. Gas Company (W.F. Gas). The Staff became aware that W.F. Gas was distributing natural gas to end-use customers without a certificate of Public Convenience and Necessity to operate as a public utility and in probable violation of the pipeline safety rules contained in the *Arkansas Gas Pipeline Code*. W.F. Gas agreed to stop distributing natural gas to end-users. The Staff worked with AWG to make natural gas available to W.F. Gas's former customers by extending AWG's facilities to those customers.

Telecommunications Industry

Of the 302 new dockets filed with the Commission, 188 were telecommunications cases.

The number of competitive local exchange carriers (CLECs) continued to grow. Twenty-five entities filed applications for authority to operate as CLECs and 14 were authorized. The number of authorized CLECs, at 113, exceeds the number of incumbent local exchange carriers (ILECs) at 30. One CLEC is also an ILEC and 4 CLECs are affiliated with 16 ILECs.

CLECs continued to expand their operating areas. While most CLECs operate in the territory of Southwestern Bell Telephone Company, at least 32 CLECs have approved interconnection agreements to operate in the territories of the two largest CenturyTel ILECs, and 23 CLECs have approved interconnection agreements to operate in the territories of 14 rural ILECs.

Ninety-five new interconnection agreements became effective. This includes 19 CLECs adopting Southwestern Bell's A2A 271 Interconnection Agreement.

The 501 NPA (Numbering Plan Area or Area Code) is projected to exhaust central office codes by late 2002. The Commission conducted public hearings in Fayetteville, Fort Smith, Hot Springs, Russellville, and Searcy to explain relief proposals and to take public comments. The Commission adopted a geographical split relief alternative. This relief causes the existing 501 NPA to be split with the eastern portion remaining as the 501 NPA and the western portion becoming the 479 NPA. Optional dialing of the 479 NPA became possible in January 2002 and will become mandatory in July 2002. Relief for the existing 501 NPA becomes available in September 2002.

In 2000, Southwestern Bell asked the Commission to review its draft application to the Federal Communications Commission (FCC) for approval to provide in-region interLATA services pursuant to the Telecommunications Act of 1996. The Commission issued a Consultation Report in which it concluded that Southwestern Bell was in compliance with only eleven of the required fourteen federal checklist items. Furthermore, the Commission could not conclude that utilization of the proposed interconnection agreement filed with the draft application would put Southwestern Bell in compliance with all the checklist items. In

addition, the Commission expressed its concern about the level of facilities-based CLEC competition for residential customers. The Commission suggested that Southwestern Bell amend its interconnection agreement to offer more favorable rates, terms, and conditions. Southwestern Bell amended its draft application during 2001. The Commission issued a second Consultation Report during 2001 in which it concluded that with minor adjustments to the proposed interconnection agreement the draft application would meet all the federal checklist items. Southwestern Bell amended its interconnection agreement and it was approved by the Commission. Southwestern Bell obtained FCC approval to provide in-region interLATA services in November 2001. Subsequent to the FCC action, the Commission granted authority to Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance to operate in Arkansas.

Act 1769 of 2001 requires the Commission to establish calling plans in telephone exchanges. ILECs, Attorney General's Representatives, and the Commission's General Staff jointly proposed the Rural Saver Optional Calling Plan (RSOCP). The proposed RSOCP is a discounted residential calling plan providing 60 minutes of intraLATA calling to a customer's county seat and other exchanges within 41 miles. The plan would be offered to customers in exchanges with no more than 2,600 total access lines and, if approved as recommended, would apply to 280 exchanges.

Act 1771 of 2001 requires the Commission to establish a grant program for the extension of facilities to persons unserved by the wireline services of an eligible telecommunications carrier. ILECs and Staff developed a program jointly that was filed in early 2002, and is awaiting Commission approval.

Act 1842 of 2001 established a mechanism requiring the Arkansas Intrastate Carrier Common Line Pool (AICCLP) to collect monies to provide partial funding for the programs established by Act 1769 and Act 1771 and to assure that the Arkansas Universal Service

Fund (AUSF) has adequate funds to compensate certain retroactive claims. The AICCLP Administrator filed tariff revisions concerning this collection and distribution of funds which were approved by the Commission. Fund collection started in mid-year. In March 2001, the Arkansas Supreme Court found that the test period used by the AUSF should be revised resulting in retroactive claims by the ILECs. Therefore, the first \$4 million collected by the AICCLP is being transferred to the AUSF. Funds to start the RSOCP and grant program proposals above should be available by mid-2002.

CenturyTel of Central Arkansas and CenturyTel of Northwest Arkansas filed tariff revisions to eliminate the flat rate, unlimited calling feature of their optional calling plans (OCPs). The unlimited OCPs were common service offerings among all ILECs before the advent of the popular and aggressive use of the Internet. Heavy usage of the Internet accessed by using these OCPs made it uneconomical for the ILECs to continue to provide unlimited plans. Most of the ILECs had eliminated their unlimited plans before CenturyTel. However, CenturyTel's customers voiced strong concern about the proposed tariff revisions. The Commission suspended the proposed tariff revisions to collect and consider public comments. Public meetings were held in Cabot, Clarksville, Pocahontas, Prescott, Siloam Springs, and Stuttgart. As a result of the public comments, CenturyTel amended its proposed revisions to include additional optional services. The amended proposal was approved by the Commission.

Water and Sewer Industry

Riviera Utilities of Arkansas, Inc. filed an application for a rate increase in October 2001. Riviera withdrew its application due to filing deficiencies and refiled its application in February 2002. The Company requested a \$109,851 increase in rates, which is a 40% increase. A Commission order on Riviera's application is due by year end.

SECTION 4 - COMMISSION REVIEW OF UTILITY OPERATIONS

In addition to performing investigations in conjunction with dockets initiated at the Commission, General Staff conducts ongoing investigations of natural gas pipeline safety, utility quality of service, and the use of automatic recovery mechanisms, as outlined below.

Electric Quality of Service Reviews

Staff members perform quality of service inspections of the electric cooperatives and investor-owned utilities through the State to ensure compliance with the Commission's *General Service Rules* and its *Special Rules - Electric*. Quality of service is measured against the standards established by the Commission in those rules. The standards cover items such as the acceptable range of secondary voltages provided to customers, the minimization of electrical conductive and inductive effects, and the mapping and maintenance of transmission and distribution facilities including pole identification, right-of-way clearing and substation record keeping. Staff members also examine complaint and outage records, meter testing facilities, and equipment on each quality of service inspection.

In 2001, eleven quality of service reviews were conducted on ten electric cooperatives and one investor-owned utility.

Gas Pipeline Safety Inspections

Pursuant to an agreement with the U. S. Department of Transportation and the authority granted by the Arkansas Natural Gas Pipeline Safety Act of 1971, the Commission's Pipeline Safety Office inspected numerous intrastate natural gas operators and master metered gas systems for quality control of operating safety, gas leakage, and the control of corrosion. The inspections ensure that gas operators are in compliance with the

Arkansas Gas Pipeline Code. Accidents related to natural gas are investigated and reports are prepared to ensure compliance with all Commission standards of quality and safety. During 2001, Pipeline Safety Staff performed 38 pipeline safety inspections and 137 inspections of master metered systems. Corrections of reported deficiencies are monitored until they are completed. In addition to required inspections, Pipeline Safety Staff provide technical assistance by investigating customer complaints of inadequate service quality.

Telecommunications Quality of Service Reviews

Staff conducts ongoing evaluations of the quality of service provided by both incumbent and competitive local exchange carriers in Arkansas. The Commission's *Telecommunication Providers Rules* establish standards in areas which include the following: 1) noise and loss associated with customer lines and network circuits; 2) capacity and operations of switching machines; 3) methods and quality of new construction; 4) responses to requests for service connection; 5) restoration of service; and, 6) general maintenance of facilities. An evaluation of each company is conducted at least once every two years to compare their performance against these standards.

During 2001, quality of service reviews were conducted in 151 exchange areas of 15 incumbent local exchange carriers and in areas served by one competing local exchange carrier. Staff members reviewed maintenance programs and conducted service tests and inspections of both central office and outside plant operations, and of transmission quality. Where deficiencies were found, each company submitted corrective action reports to correct the noted problems. Follow-up reviews were conducted as required to ensure that the problems were corrected and that performance was improved.

Compliance Audits

Under the authority of Ark. Code Ann. §23-4-108, public utilities apply Commission-approved automatic adjustment clauses to certain charges collected from ratepayers. Electric and gas utilities currently apply automatic adjustments to the charges recovered from their ratepayers for the cost of fuel, electric distribution cooperatives for cost of debt, and water utilities for cost of pumping.

The General Staff's audit procedures ensure that the adjustment amounts and their recovery are in compliance with the utilities' tariffs as approved by the Commission. The audit procedures meet the requirements of Section 115 (e) of the Public Utility Regulatory Policies Act (PURPA) of 1978, which requires that automatic adjustment clauses be reviewed "not less than every two years". In addition to the biennial review required by PURPA, the General Staff conducts monthly and quarterly desk audits of all cost of fuel, cost of debt, and cost of pumping water adjustments.

During 2001, the General Staff completed 295 monthly and quarterly desk audits and conducted one biennial review of a gas automatic adjustment mechanism.

Section 5 - Consumer Services

Informal Customer Complaints and Inquiries

During 2001, 24,861 Arkansas customers contacted Consumer Services regarding utility issues. Of the 24,861 contacts, 5,394, or 22%, were classified as informal complaints. Twenty-five (25%) percent of the contacts were customers requesting information or referral to another agency. Referrals to utilities, 22% of the contacts, were made consistent with the requirement of Ark. Code Ann. §23-3-119, which provides that “every complainant shall, before filing a complaint, make a good faith effort to informally resolve with the respondent the situation complained of”.

Although complaints represent only 22% of all contacts through Consumer Services, they require significant amounts of time and resources. Complaints involve numerous contacts with utility personnel and General Staff members, as well as extensive research to ensure compliance with Commission rules and approved tariffs. Many also require additional technical analysis, field investigation, and written reports. Billing complaints continue to make up the greatest portion of complaints for each industry, followed by complaints regarding obtaining service and service quality.

Formal Complaints

In 2001, seven formal complaints were filed with the Commission by customers regarding electric companies.

Consumer Services Review of Compliance with APSC General Service Rules and Telecommunications Providers Rules

Compliance inspections regarding specific issues were performed on one electric and two gas utilities. These inspections resulted in corrective action being taken by the utilities in response to the findings made by Staff.

Other Dockets

In 2001, Consumer Services participated in six other proceedings that came before the Commission. These proceedings involved changes in utility fees, charges, procedures, and rulemakings.

Customer Complaint Summary By Industry

Complaints are analyzed in a variety of ways. Complaint issues are identified specifically both for utility industry groups and for individual utilities. The following tables provide the total written and verbal complaints by type and by industry.

Year Ended December 31, 2001

Written Complaints

Type	Telephone	Electric	Gas	Water	Total
Billing	141	44	80	3	268
Service Quality	43	13	18	0	74
Service Requests	28	4	1	0	33
Other	46	4	1	0	51
Total	258	65	100	3	426

Verbal Complaints

Type	Telephone	Electric	Gas	Water	Total
Billing	1,153	575	1,597	38	3,363
Service Quality	374	106	117	4	601
Service Requests	251	143	208	5	607
Other	324	34	36	3	397
Total	2,102	858	1,958	50	4,968
Total Complaints	2,360	923	2,058	53	5,394

Electric Industry

Electric Utility	Arkansas Complaints		Company	Company	Company	Complaints	
	Customers	To APSC	Action Correct	Action Incorrect	Action Modified	Misc.	Per 1000 Customers
Arkansas Electric Coop. Corp.	18	0	0	0	0	0	0.00
Ark. Valley Electric Coop. Corp.	44,870	23	18	1	3	1	0.51
Ashley-Chicot Electric Coop., Inc.	5,070	6	5	1	0	0	1.18
C & L Electric Coop. Corp.	20,271	18	11	3	4	0	0.89
Carroll Electric Coop. Corp.	55,360	20	8	5	3	4	0.36
Clay County Electric Coop. Corp.	11,915	6	3	0	3	0	0.50
Craighead Electric Coop. Corp.	25,934	5	2	1	1	1	0.19
Empire District Electric Co.	3,735	1	0	0	1	0	0.27
Entergy Arkansas, Inc.	643,941	520	353	33	114	20	0.81
Farmers Electric Coop. Corp.	5,268	0	0	0	0	0	0.00
First Electric Coop. Corp.	67,245	102	66	20	13	3	1.52
Mississippi County Electric Coop.	4,220	0	0	0	0	0	0.00
North Ark. Electric Coop., Inc.	31,062	10	7	2	1	0	0.32
Oklahoma Gas & Electric	59,736	57	42	3	9	3	0.95
Ouachita Electric Coop. Corp.	9,234	2	1	0	1	0	0.22
Ozarks Electric Coop. Corp.	39,249	26	20	0	6	0	0.66
Petit Jean Electric Coop. Corp.	17,473	12	10	0	1	1	0.69
Rich Mountain Electric Coop., Inc.	7,250	2	1	0	1	0	0.28
South Central Ark. Electric Coop.	9,426	6	3	0	3	0	0.64
Southwest Ark. Electric Coop. Corp.	23,661	24	16	1	4	3	1.01
Southwestern Electric Power Co.	100,150	78	48	11	17	2	0.78
Woodruff Electric Coop. Corp.	18,401	5	3	2	0	0	0.27
TOTALS	1,203,489	923	617	83	185	38	N/A

Gas Industry

Company	Arkansas Customers	Complaints To APSC	Company Action Correct	Company Action Incorrect	Company Action Modified	Misc.	Complaints Per 1000 Customers
Arkansas Oklahoma Gas Corp.	47,515	75	53	10	12	0	1.58
Arkansas Western Gas Co. (Northwest and Northeast Ark. Regions)	132,823	99	74	9	12	4	0.75
Reliant Energy Arkla, a division of Reliant Energy Resources Corp.	447,919	1,884	1,104	275	472	33	4.21
TOTALS	628,257	2,058	1,231	294	496	37	N/A

Water and Sewer Industry

Company	Arkansas Customers	Complaints To APSC	Company Action Correct	Company Action Incorrect	Company Action Modified	Misc.	Complaints Per 1000 Customers
Central Ark. Sewer Systems, Inc.	1,329	1	1	0	0	0	0.75
Riviera Utilities of Ark. Inc.	1,996	4	3	0	0	1	2.00
Sebastian Lake Public Utility Co.	90	0	0	0	0	0	0.00
Shumaker Public Service Corp.	610	0	0	0	0	0	0.00
United Water Arkansas, Inc.	19,127	48	34	7	4	3	2.51
TOTALS	23,152	53	38	7	4	4	N/A

Telephone Industry

Company	Arkansas Access Lines	Complaints To APSC	Company Action Correct	Company Action Incorrect	Company Action Modified	Misc.	Complaints Per 1000 Customers
Alltel	108,344	67	24	28	12	3	0.62
Ark. Telephone Co., Inc.	8,818	1	1	0	0	0	0.11
Central Ark. Telephone Coop., Inc.	3,248	1	1	0	0	0	0.31
CenturyTel	273,473	745	290	250	184	21	2.72
Cleveland County Telephone Co., Inc.	3,731	3	1	1	1	0	0.80
Decatur Telephone Co., Inc.	1,369	7	5	0	0	2	5.11
E. Ritter Telephone Co.	5,293	0	0	0	0	0	0.00
Lavaca Telephone Co. Inc.	1,807	0	0	0	0	0	0.00
Madison County Telephone Co.	3,713	5	2	3	1	0	1.35
Magazine Telephone Co.	1,095	1	1	0	0	0	0.91
Mountain View Telephone Co.	7,400	0	0	0	0	0	0.00
Northern Ark. Telephone Co., Inc.	8,043	17	9	6	1	1	2.11
Ozark Telephone Co. of Missouri	119	3	2	0	0	1	25.21
Prairie Grove Telephone Co.	9,837	4	2	0	1	1	0.41
Rice Belt Telephone Co., Inc.	1,132	0	0	0	0	0	0.00
Scott County Telephone Co., Inc.	122	0	0	0	0	0	0.00
South Ark. Telephone Co., Inc.	4,128	0	0	0	0	0	0.00
Southwest Ark. Telephone Coop., Inc.	5,792	1	1	0	0	0	0.17
Southwestern Bell Telephone Co.	1,033,382	452	228	103	87	34	0.44
Tri-County Telephone Co., Inc.	7,054	0	0	0	0	0	0.00
Valor Telecommunications of TX, LLC	17,921	122	20	63	35	4	6.81
Walnut Hill Telephone Co.	5,405	3	1	2	0	0	0.56
Yelcot Telephone Co., Inc.	4,047	1	0	1	0	0	0.25
Yell County Telephone Co.	5,802	2	2	0	0	0	0.34
All Long Distance & CLECS	0	924	293	320	246	65	N/A
TOTALS	1,521,075	2,359	883	777	568	132	N/A

SECTION 6 - FEDERAL AGENCY ACTIVITY

The APSC participates before federal regulatory agencies with a focus on proceedings which affect jurisdictional cost allocation and policy issues. In addition, many issues that are addressed by the APSC in these proceedings are related to continuing efforts to open monopoly energy and telecommunications markets to competition. The following are the most significant proceedings in which the APSC participated.

Federal Energy Regulatory Commission (FERC)

Docket No. ER91-569-010 Generation Market Power Screen and Mitigation Policy

In July 2001, the FERC issued an order stating its intention to undertake a generic review of markets and market power. In November 2001, the FERC announced the use of an interim approach to evaluating market power until the generic review is complete. FERC will apply a Supply Margin Assessment (SMA) test to be used pending completion of a generic rulemaking proceeding. In the November order FERC found that Entergy and American Electric Power, among others, fail the SMA test. Entergy and American Electric Power have asked the FERC to reconsider this interim approach. These requests are pending.

Docket No. RT01-100-000 Regional Transmission Organizations (RTO)

In July 2001, the FERC initiated a mediation hearing to establish one RTO in the Southeastern United States. It rejected the applications of the Southwest Power Pool (SPP) and Entergy to form an RTO, filed in Docket Nos. RT01-34-002 and RT01-75-003, as not meeting the scope requirements established by FERC.

Therefore, the Section 203 applications that are required to transfer control of transmission assets to the SPP RTO by Entergy, SWEPCO, OG&E and Empire were rejected as premature. Mediation hearings were held with stakeholders, including representatives of the APSC. The mediation judge issued a report to the FERC in September 2001, recommending the formation of one RTO for the entire Southeast. This RTO will include Entergy, while the other Arkansas utilities will consider joining the Midwest ISO. In November 2001, Entergy and the Southern Co. revived and revised an earlier proposal by Southern Company (SeTrans RTO) and filed it under this docket. FERC staff will participate in a collaborative meeting to further develop the SeTrans RTO in January.

Docket No. RTO1-75-000 Entergy Services, Inc., on behalf of Entergy Arkansas

In October 2000, Entergy filed before FERC an Application for approval a Regional Transmission Organization and Approval of the Transfer of transmission assets. This application is the first phase of compliance with Order No. 2000. APSC intervened in October 2000. Entergy filed its Section 205 application on December 29 for approval of its rate proposal, an Open Access Distribution Services tariff, a Transmission Cost Transition Agreement and notice of cancellation of the MSS-2, transmission equalization of the Entergy System Agreement. FERC issued an Order in March 2001, granting Entergy's proposed Transco board selection process. Also, FERC directed Entergy and the SPP to clarify their relationship and to attempt to get more utilities into their RTO and to file a report on any progress. In May 2001, Entergy filed the required report. In June 2001, the APSC filed to renew its earlier filed concerns. In July 2001, the FERC dismissed the application as premature.

Docket No. RTO1-34-000
Southwest Power Pool

In October 2000, the FERC accepted the filing of an Application for approval of a Regional Transmission Organization in compliance with Order 2000. Responses or protests were due in November 2000. APSC intervened in October 2000. The FERC issued in March 2001, an order denying RTO status to the SPP and directed SPP to clarify its relationship with Entergy, seek additional utilities to join, and file a report on any progress. In May 2001, SPP filed more details, and all jurisdictional utilities filed their Section 203 applications. In June 2001, the APSC filed to restate its earlier filed concerns. In July 2001, the FERC ruled that the proposed application failed due to lack of scope, or size of the region.

Docket No. ER00-2854-000
Entergy Services, Inc.

Entergy Services, Inc. in June 2000, on behalf of its operating companies, filed with FERC several amendments to the System Agreement to facilitate the introduction of retail competition in Texas and Arkansas. The amendments provide the procedures for how an Operating Company that is subject to retail access will withdraw from the System Agreement, with the exception of the transmission provisions. The APSC intervened in June 2000. In August 2000, the FERC issued an order consolidating the case with Louisiana PSC, et al v. Entergy Corp., et al, and setting the case for hearing. A hearing was conducted from March 5, 2001 through March 21, 2001. A partial settlement was reached on May 30. Under the settlement, Texas will be able to leave, but must offer to sell a certain amount of generating capacity to the other operating companies for a period of time. The APSC filed in support of the settlement on June 2001. The issues of production cost equalization will be addressed in Docket No. EL01-88-000. The FERC has approved the settlement.

Docket No. EL01-88-000
Louisiana Public Service Commission and the City of New Orleans v Entergy

The Louisiana Public Service Commission and the City of New Orleans filed this complaint in June 2001, as part of the partial settlement arrived at in Docket No. EL00-66-000. The LPSC/CNO assert that the "rough equalization" of production costs among the Entergy Operating companies has changed due to circumstances and needs to be reset. APSC intervened in June 2001.

Docket No. EL00-66-000
Louisiana Public Service Commission and the Council of the City of New Orleans v. Entergy Corp., Entergy Services, Entergy Louisiana, Entergy Arkansas, Entergy Mississippi, Entergy New Orleans and Entergy Gulf States

LPSC and CNO filed in April 2000, a complaint at FERC seeking revision to the Entergy System Agreement to protect Louisiana ratepayers in the event that retail competition is implemented in Texas and Arkansas. In particular, Complainants want to maintain access to inexpensive coal-fired plants in Arkansas. APSC filed an intervention in April 2000. The APSC intervened in June 2000. In August 2000, the FERC issued an order consolidating the case with Entergy Services, Inc., No. ER00-2854-000 and setting the case for hearing. Also, see comments on previous case.

Docket Nos. EC01-33-000 and ER01-543-000
FPL Group, Inc. and Entergy Corporation

In December 2000, the FPL Group (Florida Power and Light) and Entergy filed under Section 203 to transfer their assets to a new merged company and under Section 205 for approval of a System Integration Agreement. APSC filed its intervention in December 2000. By spring 2001, the companies agreed to terminate the proposed merger.

Docket Nos. EC01-130 and ER01-2668
American Electric Power Company

In July 2001, AEP filed an application under Section 203 to transfer jurisdictional facilities among AEP subsidiaries, and filed amended rate schedules under Section 205. Both filings were intended to implement AEP's corporate restructuring plan in response to state restructuring statutes in Ohio and Texas. Settlement was reached in December 2001.

Docket No. PR01-12-000
Arkansas Western Gas Company

This docket was initiated by AWG for FERC approval to increase its interruptible transportation rates on its northwest Arkansas system for transportation south of the Drake Compressor Station. In April 2001, the APSC intervened in this proceeding. In August 2001, FERC approved AWG's proposed rates. AWG is required to file a new FERC rate case by April 2004.

Docket No. CP01-407-000
Ozark Gas Transmission, L.L.C.

In this docket Ozark filed an application to lease pipeline capacity from Transok, LLC (Transok), an affiliate. In August 2001, the APSC intervened and filed comments stating that any costs associated with the proposed transaction should not be passed on to those who do not use the capacity. In December 2001, the FERC issued an order which: (1) granted Ozark's request to lease pipeline capacity from Transok, (2) granted Ozark's request to charge market-based rates for storage services, (3) denied Ozark's request to charge market-based rates for its no-notice service, and (4) granted the APSC's requested condition to exclude unrecovered lease costs from shippers that do not transport gas on the leased capacity.

Docket No. EC02-10-000
Reliant Energy Aurora, LP, et al.

In October 2001, Reliant filed a joint application for FERC authorization for the transfer

of indirect control of its jurisdictional facilities to a new holding company being formed by the parent company, Reliant Energy, Inc.(REI). The proposed corporate reorganization of certain wholly-owned subsidiaries is the final step in a corporate realignment to separate REI's electric and natural gas businesses from Reliant Resources's wholesale electric generation, trading, and retail energy services businesses. REI will initiate the proposed corporate reorganization by first creating a new subsidiary, CenterPoint. In November 2001, the APSC intervened in this docket. In November 2001, FERC issued an order approving the request, subject to various conditions. This order constitutes final FERC action in this docket.

Securities and Exchange Commission
(SEC)

File No.70-8861
Entergy Nuclear

At issue in this proceeding is whether Entergy should form a separate nuclear subsidiary and offer services/expertise to other nuclear utilities. The APSC intervention was filed in July 1996 and a Supplemental Protest and Request for Hearing was filed in August 1996. A contract to run and decommission the Maine Yankee power plant was announced in January 1997. A purchase by Entergy of the Pilgrim Nuclear Power Station from Boston Edison was announced in December 1998.

File No.70-9123
Entergy Corp.

In October 1997, Entergy filed an application with the SEC requesting authorization to increase its level of guarantees to non-utility subsidiaries to \$750 million. It also requested waivers of certain sections of PUHCA, which would allow it to reorganize its non-affiliate subsidiaries in order to make public, sales of a portion of its non-regulated business only. In March 1998, the APSC filed its Notice of Intervention, Protest, and Request for Hearing.

File No. 70-9049
Entergy Corp.

In May 1998, Entergy filed an application for a waiver of the SEC's Rule 53 "safe harbor" limits. If granted, the waiver would allow Entergy to invest up to 100% of consolidated retained earnings in foreign utility companies and exempt wholesale generators. The APSC's intervention, protest, and request for hearing was filed in November 1998. In April 2000, the APSC and Entergy reached agreement for conditional approval of the request, which was filed with the SEC. This case is pending.

File No.70-9381
American Electric Power (AEP)
and Central and South West Corp. (CSW)

This is an AEP filing at the SEC that proposes to acquire by means of merger all of CSW common stock and all of CSW's four electric utility subsidiary companies. The APSC intervened in April 1999. In June 2000, the SEC authorized the merger and approved the amended service agreements. This decision was appealed. In January 2002, the United States Court of Appeals for the DC Circuit vacated the SEC decision and remanded the matter to the SEC for further proceedings. This case is pending.

File No.70-9895
Reliant Energy, Inc.

Reliant Energy, Inc. filed in June 2001, an application to reorganize in order to comply with Texas law requiring corporate separation of regulated utility divisions from unregulated electric generation and retail energy provider services. A new holding company, "Regco," will be formed. Regco will have five public utility subsidiaries: T&D Utility, Texas Genco, Entex, Arkla, and Minnegasco. Arkla is a natural gas utility providing service to Arkansas. The APSC intervened in November 2001 to protect the interests of Arkansas customers of Arkla. This case is pending.

Federal Communications Commission
(FCC)

CC Docket No. 97-100
In the Matter of American Communications
Services, Inc. & MCI Telecommunications
Corp.
Petitions for Expedited Declaratory Ruling
Preempting Arkansas Telecommunications
Regulatory Reform Act of 1997 Pursuant to
Sections 251, 252, and 253 of the
Communications Act of 1934, as amended

In December 1999, the FCC released an order preempting parts of Act 77 of 1997. Specifically, the FCC preempted parts of section 9(d) and 9(i), as well as subsections 10(b) and (c). The petitions for preemption are in abeyance until it resolves issues regarding the operations of the federal universal service program. Comments on whether Sections 4 and 5 of Act 77 conflict with federal law and the FCC's rules were filed in February 2000, and reply comments were filed in March 2000. There has been no ruling on Sections 4 and 5 of Act 77.

CC Docket 01-194
SBC's Application for InterLATA
authority in Arkansas and Missouri

In August 2001, SBC filed a joint application with the FCC to provide interLATA service within its exchange areas in Arkansas and Missouri. In November 2001 the FCC released its order granting SBC Communications et al authority to provide interLATA services in Arkansas and Missouri. This application was filed pursuant to Section 271 of the Federal Telecommunications Act of 1996. This filing was made after an order approving the filing was issued in June 2001, by the APSC, pursuant to 47 U.S.C. §271(d)(2)(B), regarding whether Southwestern Bell had met the competitive checklist requirements of 47 U.S.C §271(c)(2)(B).

Federal Dockets on Appeal

New York, et al v. FERC

U.S.S. CT. 00-0568

Enron Power Marketing, Inc. v. FERC

U.S.S. CT. 00-0809

In February 2001, the U.S. Supreme Court granted certiorari in New York, et al. v. FERC (00-568) and in Enron Power Marketing, Inc. v. FERC (00-0809). Both petitions had sought review, on different grounds, of a June 2000 ruling by the D.C. Circuit Court of Appeals upholding FERC Order 888. The Court limited review to one question presented in New York, et al. v. FERC, consolidated the cases and allowed an hour for oral argument. Oral arguments were heard by the Court in October 2001.

Arkansas Electric Energy Consumers v. FERC

Case No. 94-1461

The case is pending before the United States Court of Appeals for the District of Columbia Circuit. The APSC has challenged the FERC's orders in the Entergy Corporation/ Gulf States Utilities Co. merger proceeding which permitted Gulf States to become a member of the Entergy System Agreement on virtually the same terms as the existing Entergy Operating Companies. The APSC contends this is unduly discriminatory under the provisions of the Federal Power Act. Final briefs filed on February 7, 2002, and an oral argument is scheduled in April 2002.

SECTION 7 - OTHER ACTIVITY

The National Association of Regulatory Utility Commissioners (NARUC) is a nonprofit organization founded in 1889. NARUC membership is composed of the governmental agencies that are engaged in the regulation of utilities and carriers in the fifty states, the District of Columbia, Puerto Rico, and the Virgin Islands. NARUC's objective is to improve the quality and effectiveness of public regulation of utilities and carriers.

NARUC operates through committees and subcommittees. Those groups advance regulation through study and discussion of the operation and supervision of public utilities and carriers. Through promoting coordinated action by the commissions, the organization serves to protect the public interest.

The Commission is currently represented by the following committee and subcommittee assignments:

Commissioners

Sandra L. Hochstetter
Committee on Electricity

Lavenski R. Smith
Committee on Finance and Technology

Betty C. Dickey
Committee on Communications
Committee on Consumer Affairs

Commissioners' Staff

D. David Slaton
Staff Subcommittee on Administrative Law Judges

Sarah Bradshaw
Staff Subcommittee on Law

Sam Loudenslager
Staff Subcommittee on Communications
Staff Subcommittee on Consumer Affairs

David Lewis
Staff Subcommittee on Gas

Richard House
Staff Subcommittee on Strategic Issues

Executive Director

John P. Bethel
Staff Subcommittee on Executive Management

General Staff

Donna Gray
Staff Subcommittee on Competition and
Performance Analysis

Jeff Hilton
Staff Subcommittee on Accounts

Bret Franks
Staff Subcommittee on Depreciation

Appendix A - Jurisdictional Utilities

During 2001, the Commission carried out its statutory obligation to review and regulate the rates and/or practices of utility companies. The utilities under the Commission's jurisdiction in 2001 are listed below:

Investor-Owned Electric Utilities	4
Electric Cooperatives	18
Investor-Owned Gas Utilities	3
Natural Gas Operators	19
Master Meter Gas Operators	209
Water and Sewer Utilities	5
Incumbent Local Exchange Carriers	30
Competitive Local Exchange Carriers	113
Interexchange Carriers, Private Pay Telephone Providers	303
TOTAL	704

Investor-Owned Electric Utilities

Empire District Electric Company
Entergy Arkansas, Inc.

Oklahoma Gas and Electric Company
Southwestern Electric Power Company

Electric Cooperatives

Arkansas Electric Cooperative Corporation
Arkansas Valley Electric Cooperative Corp.
Ashley-Chicot Electric Cooperative, Inc.
C & L Electric Cooperative Corporation
Carroll Electric Cooperative Corporation
Clay County Electric Cooperative Corporation
Craighead Electric Cooperative Corporation
Farmers Electric Cooperative Corporation
First Electric Cooperative Corporation

Mississippi County Electric Cooperative, Inc.
North Arkansas Electric Cooperative, Inc.
Ouachita Electric Cooperative Corporation
Ozarks Electric Cooperative Corporation
Petit Jean Electric Cooperative Corporation
Rich Mountain Electric Cooperative, Inc.
South Central Ark. Electric Cooperative, Inc.
Southwest Arkansas Electric Coop. Corporation
Woodruff Electric Cooperative Corporation

Investor-Owned Gas Utilities

Arkansas Oklahoma Gas Corporation
Arkansas Western Gas Company
Northwest Arkansas Region and
Northeast Arkansas Region
Reliant Energy Arkla, a division of Reliant
Energy Resources Corp.

Natural Gas Operators

Augusta City Light Water and Gas
Des Arc Municipal Gas Company
DeValls Bluff Natural Gas System
Enogex Arkansas Pipeline Corporation
(Searcy Gas Gathering)
Georgia Pacific Corporation
Gruy Petroleum Management Co.
Harrisburg Water and Gas Division
Hazen Natural Gas Company
Integrated Services, Inc.
Jonesboro City Light & Water
Lion Oil Company
Natural Gas Pipeline Company of America
North Crossett Gas & Water Company
Questar
Reliant Energy Field Services Corporation
Reliant Energy Gas Transmission Company
Reliant Energy Pipeline Services
Sulphur River Gathering
Whiting Petroleum Corporation

Master Meter Gas Operators

3801 Inc. (Apartments)
Adams Mobile Home Park
AIMCO (Apartments)
Affordable Residential Comm. (MHP)
Alpha Property Management, Inc.
(Apartments)
Arkansas Court Apartments
Arkoma, Inc. (Mobile Home Park)
Associate Management (Apartments)
Augusta Housing Authority
Autumn Run Mobile Home Park
B&G Mobile Home Park
Bailey Properties Corporation (Apartments)
Bald Knob Housing Authority
Bart Gray Realty (Apartments)
Batesville Housing Authority
Beaver Lake Mobile Home Park
Beebe Housing Authority
Bellefonte Mobile Home Park
Berryville Mobile Home Park
Boucher & Slack Enterprises (Apartments)

Brand New Hope Mobile Home Park
Brinkley Housing Authority
Bruck Trailer Park
Buck's Trailer Park
CIC Arms Apartments
Cabin Court Apartments
Camden Housing Authority
Chateau Rental Properties (Apartments)
Chateau West Apartments
Civitan Apartments
Clara Knight Mobile Home Park
Clarendon Housing Authority
Coffman Investments (Apartments)
College Street Rentals
Colonial Arms Apartments
Colonial Estates Mobile Home Park
Colonial Oaks Apartments
Con-Ivie Gardens Apartments
Conway Housing Authority
Cottage Apartments & Trailers
Cotton Plant Housing Authority
Country Manor Mobile Home Park
Country Oaks Mobile Home Trailer Park
Country Mobile Estates
Countryside Mobile Home Park
D&C Trailer Park
Dale Martin Trailer Park
Dallas Gross Apartments
Dan Epperly Apartments
Danny Thomas Managements (Apartments)
Dardenelle Retirement Center (Apartments)
Dardenelle Housing Authority
David Bassett Apartments
Delmarr Apartments
Des Arc Housing Authority
Dewar Properties (Apartments)
Dhein's Mobile Home Park
Earle Housing Authority
Eaton Trailer Park
Ed Cook Apartments
Ed Russell Apartments
11th Street Mobile Home Park
Elm Springs Trailer Park
Evans Mobile Home Park
Faucette Realty (Apartments)
Fick Street Apartments
First Capitol Management Group (Apartments)
Forrest City Housing Authority
Fort Smith Housing Authority
Fountain Plaza Apartments
Gage Trailer Park
Garden Valley Apartments
Georgetown Apartments
Green Acres Mobile Home Park
Green Elf Court Apartments
Guaranty Loan and Realty (Apartments)
Guffey Properties (Mobile Home Park)
Happy Pines Mobile Home Park

Master Meter Gas Operators (Continued)

Harris Trailer Park
Harsted, Inc. (Apartments)
Hartgrave Trailer Park
Heber Springs Housing Authority
Heritage Park Apartments
Hermitage Park Apartments
Hewett Springs Mobile Home Gardens
Hickory Ridge Housing Authority
Highcliff Apartments
Hill Top Mobile Home Park
Hilltop Mobile Home Park
Hoxie Housing Authority
Hudson Realty Company (Apartments)
Hughes Housing Authority
Indian Hills Estates Mobile Home Park
Interstate Property Management (Steeple Chase Apt.)
Jarrett Property Management (Apartments)
Jim Peacock Realty (Apartments)
Jones Trailer Park
Keathley Enterprises (Mobile Home Park)
Keller's Mobile Home Park
Kohner Properties (Apartment)
Krebs Rentals (Mobile Home Park)
L&K Properties (Apartments)
Lakeland Trailer Park
Lakeside Resort Mobile Home Park
Leta Wagner Mobile Home Park
Lindsey Management (Apartments)
Little Rock Housing Authority
Little's Trailer Park
Logan Township Gas Users Association
Love's Apartments
Magnolia Housing Authority
Mammoth Spring Housing Authority
Manila Housing Authority
Maple Shade Trailer Park
Marianna Housing Authority
McClure Realty
McCrory Housing Authority
Melody Trailer Court
Mena & Polk Co. Housing Authority
Midway Park
Midway Trailer Park
Mobile Home Village (71)
Monte Ne Mobile Home Park
Moore Apartments
Morgan's Trailer Park
Motor Inn Trailer Park
Mountain Home Mobile Home Park
Mr. James Love (MHP)
Mr. John Brown Apartments
Mr. Osco Honeycutt (Apartments)
Mr. Lonnie Green Apartments
Newport Housing Authority
Nine Elms Mobile Home Park
Nancy Barthel Apartments

Out-in-the-Woods Apartments
Ozark Land Development (Mobile Home Parks)
Painter's Mobile Home Park
Paragould Housing Authority
Parkin Housing Authority
Parkway Crossing Apartments
Pearson's Trailer Park
Pine Meadow Trailer Park
Piney Woods Apartments
Pocahontas Housing Authority
Poplar Square Apartments
Pro Realty (Apartments)
Property Management, Inc. (Apartments)
Protho Manor Apartments
Purnell Properties
RPS Management Company L.P. (Apartments)
Rector Housing Authority
Rector-Phillips-Morse (Apartments)
Remount Road Mobile Home Park
Rental Management, Inc. (Apartments)
Rison Housing Authority
Riverside, Inc. (Apartments)
Ro-Lynn Hills Mobile Home Park
Rockway
Rolling Hills Mobile Home Park
Royal Oak Apartments
Ruffs Mobile Home Park
Rutherford Mobile Home Park
Salem Housing Authority
Scholars Inn Apartments
Shady Acres Mobile Home Park
Shady Rest Court Mobile Home Park
Sink Realty (Apartments)
Skaggs Mobile Home Park
Skull Creek Development (Tara Apartments)
Southgate Village Apartments
Squire Court Limited Partnership (Apartments)
Star Management (Apartments)
State Street Apartments
Suburban Mobile Home Park
Sugarloaf Trailer Park
Suncrest Village Limited
Sunset Village Limited
Taliafaro, Inc. (Apartments)
Tara Garden, L.L.C.
Taylor's Mobile Home Park
Terry Lynn Trailer Park
The English Apartments
Town & Country Mobile Home Park
Town Houses in the Park
Trailwood Mobile Home Park
Travis Trailer Park
Trent Consulting & Investing
Trumann Housing Authority
Trumann Mobile Home Park
Tucker's Trailer Park
United Property Management (Apartments)
University Trailer Park
Valley View & Creekside MHPs

Master Meter Gas Operators (Continued)

W-7 Mobile Park
Wards Mobile Home Park
Warren Housing Authority
Washington Plaza Apartments
West Memphis Housing Authority
Westpark Meadows Apartments
White River Regional Housing Authority
Wilbur's Mobile Home Park
Willow Wood Apartments
Winston Apartments
Wood Terrace Apartments
Woodridge Estates Mobile Home Park

Water and Sewer Utilities

Central Ark. Sewer Systems, Inc.
Riviera Utilities of Ark., Inc.
Sebastian Lake Public Utility Co.
Shumaker Public Service Corporation
United Water Arkansas, Inc.

Incumbent Local Exchange Carriers

Alltel of Arkansas, Inc.
Arkansas Telephone Company
Central Arkansas Telephone Cooperative, Inc.
CenturyTel of Arkansas, Inc.
CenturyTel of Central Arkansas, LLC
CenturyTel of Mountain Home, Inc.
CenturyTel of Northwest Arkansas, LLC
CenturyTel of Northwest Louisiana, Inc.
CenturyTel of Redfield, Inc.
CenturyTel of South Arkansas, Inc.
E. Ritter Telephone Company
Lavaca Telephone Company
d/b/a Pinnacle Communications
Madison County Telephone Company
Magazine Telephone Company
Mountain View Telephone Company
Northern Arkansas Telephone Company
Ozark Telephone Company
Prairie Grove Telephone Company
Rice Belt Telephone Company
Scott County Telephone Company
South Arkansas Telephone Company
Southwest Arkansas Telephone Cooperative
Southwestern Bell Telephone Company
TDS Telecom - Cleveland County Telephone Company
TDS Telecom - Decatur Telephone Company
Tri-County Telephone Company
Valor Telecommunications of Texas
Walnut Hill Telephone Company
Yelcot Telephone Company
Yell County Telephone Company

Competitive Local Exchange Carriers

1-800-Reconex, Inc.
A-Tech Telecom, Inc.
Accutel of Texas, Inc.
ACSI Local Switched Services, Inc. d/b/a e.spire
Actel Integrated Communications, Inc.
Adelphia Business Solutions Investment, LLC
Advanced Telecom Group, Inc. d/b/a ATG
ALLTEL Communications, Inc.
American Communications Services of L.R.
d/b/a e.spire
Americom, Inc.
Annox, Inc.
Answer Fort Smith, Inc.
Arkansas State Telephone
AT&T Communications of the Southwest, Inc.
Bar Tel Communications, Inc.
Basicphone, Inc.
Bellsouth BSE, Inc.
Big River Telephone
Brooks Worldcom.
Business Telecom, Inc.
d/b/a BTI Telecommunications Services
Buy-Tel Communications
CAT Communications International, Inc.
CCCAR, Inc. d/b/a Total Connect!
CenturyTel Solutions, LLC
Choctaw Communications, L.C.
d/b/a Smoke Signal Communications
Ciera Network Systems, Inc.
Comm South d/b/a Arkansas Comm South
Connect Communications Corp.
Connection One Communications Corp.
Credit Loans, Inc. d/b/a Lone Star State Telephone
D.V.C. Enterprises, Inc. d/b/a DVC Telecom
Delta Phones, Inc.
Digital Teleport, Inc.
DMJ Communications, Inc.
dPi-Teleconnect, Inc.
DSLNET Communications
Essex Communications d/b/a eLEC Communications
EZ Phone, Inc.
EZ Talk Communications
Essential.com, Inc.
Fair Financial LLC d/b/a Midstate Telecommunications
Fairpoint Communications Solutions Corp.
Ganesa Telecommunications, Inc.
Global Crossing Telemanagement, Inc.
Go-Tel, Inc.
Group Long Distance, Inc.
HJN Telecom, Inc.
Hometel, Inc.
Intermedia Communications, Inc.
Ionex Communications South, Inc.
IP Voice Communications, Inc.
ITC^Deltacom Communications, Inc.

Competitive Local Exchange Carriers (Continued)

J & R Communications, Inc.
KMC Data, LLC
KMC Telecom III, Inc.
KMC Telecom V, Inc.
Larry Baldwin d/b/a NEA Telecom
Level 3 Communications, LLC
Logix Communications Corporation
Maxcess, Inc.
Max-Tel Communications, Inc.
McLeod USA Telecommunications Services, Inc.
Metro Teleconnect Companies
NationNet Communications Corporation
Navigator Telecommunications, LLC
NetworkIP, LLC
New Access Communications, LLC
New Edge Network, Inc. d/b/a New Edge Networks
Northeast Telecom, Inc.
NOS Communications, Inc.
NOW Communications, Inc.
NuVox Communications of Arkansas, Inc.
Omniplex Communications Group, LLC
Payroll Advance, Inc.
Pearson-Vail, LLC.
d/b/a Integrated Telecommunication Services
Phone Remedies, LLC
Phone-Link, Inc.
Preferred Carrier Services, Inc.
Premiere Network Services, Inc.
QNET Communications, Inc.
Quantumshift Communications, Inc.
Reitz Rentals, Inc. d/b/a Southwest Teleconnect
Robert's Communications
Sage Telecom, Inc.
SBC Advanced Solutions, Inc.
Servisense.Com, Inc.
Snappy Phone of Texas, Inc. d/b/a Budget Phone
Southern Telecom Network, Inc. d/b/a STN Long Distance
Sprint Communications Co. L.P.
State Discount Telephone
State Discount Telephone d/b/a SDT Communications
Supra Telecommunications and Information Systems, Inc.
Suretel, Inc.
Talk America, Inc.
TCA Communications
Tel-South Communications
Tele-Save
Telera Communications, Inc.
Telicor, Inc.
Teligent Services, Inc.
Tipton Construction Company of Texas, Inc. d/b/a
Advanced Communications Techniques
Tri-State Telecommunications, Inc.
Universal Access, Inc.
Universal Telecom, Inc. d/b/a Universal Communications, Inc.

US West Interprise America, Inc.
d/b/a Interprise America, Inc.
USLD Communications, Inc.
Valuelinx Corporation
Vantage Telecom, LLC d/b/a New Roads Telecom, Inc.
VARTEC Telecom, Inc.
Verizon Select Services, Inc.
Winstar Wireless, Inc.
World Lynx, LLC
Z-Tel Communications, Inc.

Interexchange Carriers and Private Pay Telephone Providers

01 Communications of Arkansas
360Networks (USA) Inc.
A South Pay Phones
A.R.C. Networks, Inc.
ACC National Long Distance Corp.
Access Line LD Services
Access One, Inc.
Access Point, Inc.
ACN Communication Services, Inc.
ACS Telecom, Inc.
Adelphia Telecommunications, Inc.
Advanced Communications, Inc. d/b/a Advanced Payphones
Advanced Tel, Inc. d/b/a EATEL
Advantage Telecommunications Corp.
Affinity Network Inc.
Airnex Communications, Inc.
Alliance Group Services, Inc.
Alpha Tel-Com, Inc d/b/a ATI Communications, Inc.
Alternate Communications Technology, Inc. d/b/a ACT
America's Digital Satellite Telephone
American Farm Bureau, Inc. d/b/a The Farm Bureau(R)
American Long Lines, Inc.
American Nortel Communications, Inc.
American Telecommunications Systems, Inc.
Americatel Corporation d/b/a 1023 Americatel
AmeriVision Communications, Inc.
Arkansas Payphone, Inc.
Artech, LLC
ASC Telecom, Inc.
Atlas Communications, LTD d/b/a Atcom
AXES, Inc. d/b/a AXCES International
BAK Communications, LLC
BCGI Communications Corp.
Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance
Bellsouth Long Distance, Inc.
Big Planet, Inc.
Blackstone Communications Company
Bridgecom International, Inc.
Broadwing Communications
Broadwing Telecommunications, Inc.

Interexchange Carriers and Private Pay Telephone Providers (Continued)

Budget Call Long Distance
 Buehner-Fry, Inc. d/b/a Resort Operator
 Business Discount Plan, Inc.
 Cable and Wireless Global Card Services, Inc.
 Cable and Wireless USA, Inc.
 Call Processing, Inc.
 Call West Communications
 Capsule Communications
 Carol A Canada d/b/a CA Canada Vending
 Casco Pay Phones
 CBS Corporation d/b/a Westinghouse Communications
 Century Telecommunications, Inc.
 CenturyTel Long Distance, Inc.
 CEO Telecommunications, Inc.
 CFL, LLC d/b/a CFL Payphones
 Cinemark USA, Inc.
 Citizens Communications Company
 City of Faith Prison Ministries, Inc.
 City Telecoin Company, Inc.
 Claricom Networks, Inc. d/b/a Staples Communications Networks
 Coast International, Inc.
 Cole Davis
 Coleman Enterprises, Inc.
 Com-Tech Resources d/b/a Com-Tech Systems
 Combined Billing Corporation
 Comcast Business Communications, Inc. d/b/a Comcast Long Distance
 Comdata Telecommunications Services
 Communicate Technological Systems, L.L.C.
 Communications Billing, Inc.
 Communigroup of Arkansas, Inc.
 Communigroup of K.C., Inc. d/b/a CGI
 Comtech 21, LLC
 Comtel Network, LLC
 Concert Communications Sales, LLC
 Connect America Communications
 Connect!LD, Inc.
 Connie West
 Convergent Communications Services, Inc.
 Covista, Inc.
 CRG International d/b/a Network One
 CTC Communication Corp.
 Custom Teleconnect, Inc.
 Cybertell Communications, Crop.
 D.D.D. Calling, Inc.
 Devore Communications
 Dewey Pruitt
 Direct One, LLC d/b/a US TeleNetworks, LLC and d/b/a One Rate LD, LLC
 Douglas K. Skokos
 E. Ritter Long Distance Company d/b/a Tri-County Long Distance
 ETS Payphones
 Eastern Telecommunications, Inc.

Electric Lightwave, Inc.
 eMERITUS Communications, Inc.
 Encompass Communications, LLC
 Enhanced Communications Group L.L.C.
 Enhanced Communications Network, Inc.
 Equal Net Communications, Inc.
 ERBIA Network, Inc.
 Evercom Systems, Inc.
 Evolution Networks Midwest, Inc.
 Excel Telecommunications, Inc.
 EZTEL Network, LLC
 Federal Transtel, Inc.
 Foxtel, Inc.
 Frank Robbins d/b/a Public-Tel
 Freedomstarr Communications, Inc. d/b/a Planet Earth Communications and d/b/a iPhonebill.com
 Frontier Communications of America, Inc.
 Gardner Technology Resources, Inc.
 Gates Communications
 GE Business Productivity Solutions, Inc. d/b/a GE Capital Communication Services
 Gerlach Enterprises, Inc.
 Global Crest Communications, Inc.
 Global Crossing North American Networks, Inc.
 Global Crossing Telecommunications, Inc.
 Global Tel*Link Corporation d/b/a Global TelCoin
 Global Telephone Corporation
 Globalcom, Inc.
 Glyphics Communications, Inc.
 GST Net, Inc.
 GTC Telecom
 Gulf Communications, L.L.C.
 GVC Telecommunications Consulting
 H&H Communications, Inc.
 Horton Communications
 Hunter Burroughs
 I-Link Communications, Inc.
 ICG Telecom Group, Inc.
 IDT America Corporation
 Incomnet Communications Corporation
 Intellicall Operator Services, Inc.
 Intercontinental Communications Group, Inc. d/b/a Fusion Telecom d/b/a Fusion Trucker Phone
 International Exchange Communications, Inc. d/b/a IE COM
 Interstate Telecommunications of Georgia, Inc.
 Jack L. Hunter
 James Michael Church
 Jirehcom, Inc.
 Jones Communications
 KDD America, Inc.
 Keen LD, Inc.
 LCI International Telecom Corp.
 LCR Telecommunications, LLC
 LD.Exchange.Com, Inc.
 Least Cost Routing, Inc.
 Legacy Long Distance International
 Lightyear Communications, Inc.

Interexchange Carriers and Private Pay Telephone Providers (Continued)

<p> Lightyear Telecommunications, LLC Local Telecom Holdings, LLC Long Distance Billing Services, Inc. Long Distance Consolidated Billing Company Long Distance of Michigan, Inc. d/b/a LDMI Telecommunications also d/b/a FoneTel Long Distance Wholesale Club Lotel, Inc. d/b/a Coordinated Billing Services MAH Communications/Utelecom, LLC Main Street Telephone Company Matrix Telecom Maxtel USA, Inc. MCI Telecommunications Corporation Mercury Long Distance Metrocall, Inc. Midessa Communications Management Systems, Inc. Midwest Communications, Inc. Miko Telephone Company MTC Telemanagement Corporation NATCO Technologies Natel, LLC National Telephone Company NET2000 Communications Services, Inc. Netlojix Telecom, Inc. Net One International, Inc. Network Billing Systems, LLC Network Communications International Corp. Network Operator Services, Inc. Network Plus, Inc. Network Services Group, Inc. Network US, Inc. d/b/a CA Affinity New Century Telecom, Inc. Newsouth Communications Corp. Norstan Network Services, Inc. Norstar Communications, Inc. d/b/a Business Savings Plan, Inc. NOSVA Limited Partnership NOVO Networks Metro Services, Inc. NTERA, Inc. NXLD Company NYNEX Long Distance Company d/b/a Verizon Enterprise Solutions One Call Communications d/b/a Opticom Onestar Communications, LLC Onestar Long Distance, Inc. Operator Communications, Inc. d/b/a Oncor Operator Service Company Opex Communications, Inc. Optical Telephone Corporation Ozark Telecom, Inc. Paetec Communications, Inc. Paramount International Telecommunications d/b/a R Network Parcel Consultants, Inc. d/b/a Minimum Rate Pricing </p>	<p> Paytel, Inc. PDS, Inc. d/b/a Phone Debit Systems, Inc. Peoples Telephone Company, Inc. d/b/a PTC PF. Net Network Services Corp. Phoenix Network, Inc. Phonetel Technologies, Inc. Phonetime, Inc. d/b/a PT-1 Communications, Inc. PNG Telecommunications, Inc. Power-Finder West Communications, LLC Premiere Communications, Inc. Primus Telecommunications, Inc. Promise-Net International, Ltd. Promisevision Technology, Inc. PT-1 Long Distance, Inc. QCC, Inc. Quick Tel, Inc. QWEST Communications Corporation QWEST Interprise America, Inc. QX Telecom, LTD Ray A. Beierle d/b/a Reliable Communications Raymond and Pamela Ryba RCN Telecom Services, Inc. RDST, Inc. Reduced Rate Long Distance, LLC Ronnie L. and Piper P. Erwin Roy L. Helton d/b/a Delta Pay Phones RRV Enterprise, Inc. d/b/a Consumer Access RSL COM U.S.A., Inc. Satelink Paging, LLC Shared Communications Services, Inc. Single Billing Services, Inc. d/b/a Asian American Assoc. Smartstop, Inc. Smart Way, Inc. Snip Link, LLC Sonix4U, Inc. Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Special Accounts Billing Group, Inc. Sprint Payphone Services, Inc. St. Andrews Telecommunications Startec Global Licensing Company Sterling Time Company Steven Wayne Chancey T-Netix, Inc. T-Netix Internet Services, Inc. T-Netix Telecommunications Talknow, Inc. TDI Communications, Inc. TDS Long Distance, Corp. Telaleasing Enterprises, Inc. Telcam Telecommunications Co. of the Americas, Inc. Telecare, Inc. TeleCents Communications, Inc. TelecomEZ Corporation Telecommunications Cooperative Network Telecommunications Resources, Inc. d/b/a Telecommunications Resources of Missouri Tele-Connect, Inc. Teleco Partners, Inc. </p>
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**Interexchange Carriers and Private Pay
Telephone Providers (Continued)**

Teleconnect Long Distance Services and System
Company d/b/a Telecom*USA
Telecorp, LTD.
Telefyne, Inc.
Telegenius, Inc.
Tele globe USA, Inc.
Telephone Associates, Inc.
Telephone Company of Central FL
Teletrust, Inc.
Telmex USA, LLC
Telscape USA, Inc.
Texas Inmate Phones Communications
The Free Network, LLC
Thomas Boothe d/b/a South Delta Communications
TLX Communications, Inc. d/b/a Tel American Long
Distance Service and United Telephone Co
Ton Services, Inc.
Total Call International, Inc.
Touch 1 Communications, Inc.
Touch America, Inc.
Trans National Communications International
Transcommunications Incorporated
Tri-M Communications d/b/a TMC Communications
TTI National, Inc.
UKI Communications, Inc.
Uni-Tel Communications Group, Inc.
United Communications Hub, Inc.
United Services Telephone, LLC
United States Advanced Network, Inc.
United Systems Access Telecom, Inc.
United Technology Systems, Inc.
Univance Telecommunications, Inc.
US South Communications, Inc. d/b/a US South
d/b/a Incomm
US West Long Distance, Inc.
USA Digital Communications, Inc.
USC Telecom, Inc.
Valor Telecommunications LD, LLC
Value-Added Communications, Inc.
W2COM International, LLC
Webnet Communications
Westel, Inc.
Westend Communications, Inc.
Williams Communications, Inc.
Wiltel Network Services, Inc.
Working Assets Long Distance
World Communications Satellite System
Worldcom, Inc.
Worldcom Technologies, Inc.
Worldxchange Corporation
X2COMM, Inc.
XO Long Distance Services, Inc.
Zenex Long Distance, Inc.
Zone Telecom, Inc.

APPENDIX B - STATISTICAL SUMMARIES

Electric Companies - Arkansas Only Plant Investment; Operating Revenues Year Ended December 31, 2000

Company	Plant Investment	Operating Revenues	Ratio (%) Operating Revenues/Investment
Arkansas Electric Cooperative Corp.	\$1,022,346,926	\$402,722,315	39.39%
Arkansas Valley Electric Cooperative Corp.	\$136,726,887	\$53,204,699	38.91%
Ashley-Chicot Electric Cooperative, Inc.	\$20,119,465	\$7,009,078	34.84%
C & L Electric Cooperative Corp.	\$62,202,746	\$22,771,260	36.61%
Carroll Electric Cooperative Corp.	\$186,732,604	\$67,076,133	35.92%
Clay County Electric Cooperative Corp.	\$40,059,595	\$13,604,690	33.96%
Craighead Electric Cooperative Corp.	\$84,012,677	\$29,899,038	35.59%
Empire District Electric Company	\$13,623,134	\$7,263,532	53.32%
Entergy Arkansas, Inc.	\$5,479,865,754	\$1,720,888,707	31.40%
Farmers Electric Cooperative Corp.	\$13,228,695	\$5,698,131	43.07%
First Electric Cooperative Corp.	\$217,426,676	\$90,041,100	41.41%
Mississippi County Electric Coop. , Inc.	\$17,750,720	\$93,701,583	527.87%
North Arkansas Electric Cooperative, Inc.	\$106,708,448	\$36,147,304	33.87%
Oklahoma Gas and Electric Company	\$184,707,822	\$134,199,157	72.65%
Ouachita Electric Cooperative Corp.	\$36,304,107	\$14,544,978	40.06%
Ozarks Electric Cooperative Corp.	\$125,841,983	\$46,113,381	36.64%
Petit Jean Electric Cooperative Corp.	\$53,105,324	\$17,809,355	33.54%
Rich Mountain Electric Cooperative, Inc.	\$26,433,795	\$8,062,260	30.50%
South Central Arkansas Electric Coop. ,Inc.	\$33,572,564	\$13,669,539	40.72%
Southwest Arkansas Electric Coop. Corp.	\$99,472,987	\$35,806,856	36.00%
Southwestern Electric Power Company	\$449,045,694	\$276,046,284	61.47%
Woodruff Electric Cooperative Corp.	\$77,934,324	\$26,561,677	34.08%
TOTALS	\$8,487,222,927	\$3,122,841,057	36.79%

**Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2000**

Company	No. of Customers	kWh Sold	Average Revenues		Average kWh
			Revenues	Per Customer	Per Customer
Arkansas Electric Cooperative Corporation					
Residential	0	0	\$0	\$0	0
Irrigation	0	0	\$0	\$0	0
Commercial	0	0	\$0	\$0	0
Industrial	0	0	\$0	\$0	0
Public Authority	0	0	\$0	\$0	0
Totals Retail	0	0	\$0	\$0	0
Wholesale	18	11,633,496,000	\$402,669,596	\$22,370,533	646,305,333
Other Revenues	N/A	N/A	\$52,719	N/A	N/A
TOTALS	18	11,633,496,000	\$402,722,315	N/A	N/A
Arkansas Valley Electric Cooperative Corporation					
Residential	42,253	594,846,319	\$39,289,619	\$930	14,078
Irrigation	0	0	\$0	\$0	0
Commercial	2,068	89,239,058	\$5,355,882	\$2,590	43,152
Industrial	12	218,923,440	\$7,721,919	\$643,493	18,243,620
Public Authority	537	12,649,717	\$939,422	\$1,749	23,556
Totals Retail	44,870	915,658,534	\$53,306,842	\$1,188	20,407
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	-\$102,143	N/A	N/A
TOTALS	44,870	915,658,534	53,204,699	N/A	N/A
Ashley-Chicot Electric Cooperative, Inc.					
Residential	3,812	51,595,350	\$3,927,056	\$1,030	13,535
Irrigation	215	11,842,709	\$1,063,381	\$4,946	55,082
Commercial	1,025	25,419,749	\$1,925,451	\$1,878	24,800
Industrial	0	0	\$0	\$0	0
Public Authority	18	732,615	\$53,951	\$2,997	40,701
Totals Retail	5,070	89,590,423	6,969,839	\$1,375	17,671
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$39,239	N/A	N/A
TOTALS	5,070	89,590,423	7,009,078	N/A	N/A

**Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2000**

			Average Revenues		Average kWh
Company	No. of Customers	kWh Sold	Revenues	Per Customer	Per Customer
C&L Electric Cooperative Corporation					
Residential	17,737	218,989,610	\$16,557,217	\$933	12,346
Irrigation	653	5,555,510	\$634,665	\$972	8,508
Commercial	1,496	51,138,759	\$3,516,564	\$2,351	34,184
Industrial	8	23,471,520	\$1,161,039	\$145,130	2,933,940
Public Authority	377	5,826,363	\$428,565	\$1,137	15,455
Totals Retail	20,271	304,981,762	\$22,298,050	\$1,100	15,045
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$473,210	N/A	N/A
TOTALS	20,271	304,981,762	\$22,771,260	N/A	N/A
Carroll Electric Cooperative Corporation					
Residential	51,710	725,679,669	\$48,224,608	\$933	14,034
Irrigation	0	0	\$0	\$0	0
Commercial	3,590	183,439,890	\$10,106,193	\$2,815	51,097
Industrial	9	213,048,229	\$7,132,959	\$792,551	23,672,025
Public Authority	51	3,131,317	\$235,268	\$4,613	61,398
Totals Retail	55,360	1,125,299,105	\$65,699,028	\$1,187	20,327
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$1,377,105	N/A	N/A
TOTALS	55,360	1,125,299,105	\$67,076,133	N/A	N/A
Clay County Electric Cooperative Corporation					
Residential	10,170	97,369,467	\$7,708,873	\$758	9,574
Irrigation	595	2,913,947	\$330,584	\$556	4,897
Commercial	1,049	44,908,766	\$3,261,578	\$3,109	42,811
Industrial	11	33,356,520	\$1,996,512	\$181,501	3,032,411
Public Authority	90	1,685,740	\$131,482	\$1,461	18,730
Totals Retail	11,915	180,234,440	\$13,429,029	\$1,127	15,127
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$175,661	N/A	N/A
TOTALS	11,915	180,234,440	\$13,604,690	N/A	N/A

**Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2000**

Company	No. of Customers	kWh Sold	Average Revenues		Average kWh
			Revenues	Per Customer	Per Customer
Craighead Electric Cooperative Corporation					
Residential	20,911	285,372,891	\$21,312,820	\$1,019	13,647
Irrigation	916	9,148,152	\$975,830	\$1,065	9,987
Commercial	4,075	76,901,863	\$5,752,276	\$1,412	18,872
Industrial	7	24,251,189	\$1,366,513	\$195,216	3,464,456
Public Authority	25	600,734	\$52,513	\$2,101	24,029
Totals Retail	25,934	396,274,829	29,459,952	\$1,136	15,280
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$439,086	N/A	N/A
TOTALS	25,934	396,274,829	\$29,899,038	N/A	N/A
Empire District Electric Company					
Residential	3,005	33,468,817	\$2,273,056	\$756	11,138
Irrigation	0	0	\$0	\$0	0
Commercial	641	30,451,368	\$1,816,310	\$2,834	47,506
Industrial	9	67,254,692	\$2,561,347	\$284,594	7,472,744
Public Authority	79	3,880,938	\$226,739	\$2,870	49,126
Totals Retail	3,734	135,055,815	\$6,877,452	\$1,842	36,169
Wholesale	1	5,332,280	\$264,778	\$264,778	5,332,280
Other Revenues	N/A	N/A	\$121,302	N/A	N/A
TOTALS	3,735	140,388,095	\$7,263,532	N/A	N/A
Entergy					
Residential	546,025	6,791,205,368	\$561,343,243	\$1,028	12,438
Irrigation	0		\$0	\$0	#VALUE!
Commercial	75,187	5,063,362,332	\$307,315,561	\$4,087	67,344
Industrial	22,237	7,239,708,691	\$353,043,824	\$15,876	325,570
Public Authority	482	238,763,528	\$14,934,595	\$30,985	495,360
Totals Retail	643,931	19,333,039,919	\$1,236,637,223	\$1,920	30,023
Wholesale	10	10,561,353,901	\$438,694,583	\$43,869,458	1,056,135,390
Other Revenues	N/A	N/A	\$45,556,901	N/A	N/A
TOTALS	643,941	29,894,393,820	\$1,720,888,707	N/A	N/A

**Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2000**

			Average Revenues		Average kWh
Company	No. of Customers	kWh Sold	Revenues	Per Customer	Per Customer
Farmers Electric Cooperative Corporation					
Residential	4,259	49,800,427	\$3,734,026	\$877	11,693
Irrigation	504	8,717,579	\$925,992	\$1,837	17,297
Commercial	495	16,545,438	\$928,190	\$1,875	33,425
Industrial	0	0	\$0	\$0	0
Public Authority	10	436,000	\$26,194	\$2,619	43,600
Totals Retail	5,268	75,499,444	\$5,614,402	\$1,066	14,332
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$83,729	N/A	N/A
TOTALS	5,268	75,499,444	\$5,698,131	N/A	N/A

First Electric Cooperative Corporation

Residential	64,130	897,325,227	\$66,798,158	\$1,042	13,992
Irrigation	446	40,840,844	\$2,833,421	\$6,353	91,571
Commercial	2,299	152,884,086	\$9,664,341	\$4,204	66,500
Industrial	2	276,446,990	\$7,842,737	\$3,921,369	138,223,495
Public Authority	368	21,448,482	\$1,291,389	\$3,509	58,284
Totals Retail	67,245	1,388,945,629	88,430,046	\$1,315	20,655
Wholesale	0	0	\$0	\$0	0
<i>Other Revenues</i>	N/A	N/A	\$1,611,054	N/A	N/A
TOTALS	67,245	1,388,945,629	90,041,100	N/A	N/A

Mississippi County Electric Cooperative, Inc.

Residential	3,555	52,490,580	\$2,873,855	\$808	14,765
Irrigation	132	2,751,450	\$170,089	\$1,289	20,844
Commercial	474	15,214,920	\$783,523	\$1,653	32,099
Industrial	18	3,001,942,669	\$89,747,119	\$4,985,951	166,774,593
Public Authority	41	1,586,233	\$93,175	\$2,273	38,689
Totals Retail	4,220	3,073,985,852	93,667,761	\$22,196	728,433
Wholesale	0	0	\$0	\$0	0
<i>Other Revenues</i>	N/A	N/A	\$33,822	N/A	N/A
TOTALS	4,220	3,073,985,852	93,701,583	N/A	N/A

**Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2000**

			Average Revenues		Average kWh
Company	No. of Customers	kWh Sold	Revenues	Per Customer	Per Customer
North Arkansas Electric Cooperative, Inc.					
Residential	28,403	329,529,125	\$25,347,607	\$892	11,602
Irrigation	0	0	\$0	\$0	0
Commercial	2,308	90,488,581	\$5,917,369	\$2,564	39,206
Industrial	5	84,387,480	\$4,026,291	\$805,258	16,877,496
Public Authority	346	5,892,947	\$443,129	\$1,281	17,032
Totals Retail	31,062	510,298,133	35,734,396	\$1,150	16,428
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$412,908	N/A	N/A
TOTALS	31,062	510,298,133	\$36,147,304	N/A	N/A

Oklahoma Gas and Electric Company

Residential	50,512	670,605,445	\$38,551,155	\$763	13,276
Irrigation	0	0	\$0	\$0	0
Commercial	7,800	657,875,769	\$27,342,629	\$3,505	84,343
Industrial	409	1,104,579,125	\$33,488,664	\$81,879	2,700,682
Public Authority	992	100,192,476	\$5,062,093	\$5,103	101,000
Totals Retail	59,713	2,533,252,815	104,444,541	\$1,749	42,424
Wholesale	23	827,128,858	\$29,263,588	\$1,272,330	35,962,124
<i>Other Revenues</i>	N/A	N/A	\$491,028	N/A	N/A
TOTALS	59,736	3,360,381,673	134,199,157	N/A	N/A

Ouachita Electric Cooperative Corporation

Residential	8,126	94,888,441	\$7,305,381	\$899	11,677
Irrigation	0	0	\$3,614,730	\$0	0
Commercial	882	55,052,470	\$3,275,741	\$3,714	62,418
Industrial	10	67,035,250	\$172,690	\$17,269	6,703,525
Public Authority	216	2,283,423	\$0	\$0	10,571
Totals Retail	9,234	219,259,584	\$14,368,542	\$1,556	23,745
Wholesale	0	0	\$0	\$0	0
<i>Other Revenues</i>	N/A	N/A	\$176,436	N/A	N/A
TOTALS	9,234	219,259,584	14,544,978	N/A	N/A

**Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2000**

			Average Revenues		Average kWh
Company	No. of Customers	Kkh Sold	Revenues	Per Customer	Per Customer
Ozark Electric Cooperative Corporation					
Residential	37,918	497,667,486	\$33,196,491	\$875	13,125
Irrigation	0	0	\$0	\$0	0
Commercial	854	29,598,547	\$1,919,095	\$2,247	34,659
Industrial	268	168,094,593	\$9,357,026	\$34,914	627,219
Public Authority	209	13,369,878	\$964,113	\$4,613	63,971
Totals Retail	39,249	708,730,504	45,436,725	\$1,158	18,057
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$676,656	N/A	N/A
TOTALS	39,249	708,730,504	46,113,381	N/A	N/A

Petit Jean Electric Cooperative Corporation

Residential	15,850	173,457,426	\$12,601,102	\$795	10,944
Irrigation	0	0	\$0	\$0	0
Commercial	1,329	50,438,940	\$3,341,952	\$2,515	37,953
Industrial	9	21,768,380	\$1,331,563	\$147,951	2,418,709
Public Authority	285	5,134,691	\$391,662	\$1,374	18,016
Totals Retail	17,473	250,799,437	\$17,666,279	\$1,011	14,354
Wholesale	0	0	\$0	\$0	0
<i>Other Revenues</i>	N/A	N/A	\$143,076	N/A	N/A
TOTALS	17,473	250,799,437	\$17,809,355	N/A	N/A

Rich Mountain Electric Cooperative, Inc.

Residential	6,920	95,318,370	\$7,137,574	\$1,031	13,774
Irrigation	0	0	\$0	\$0	0
Commercial	330	12,507,617	\$841,596	\$2,550	37,902
Industrial	0	0	\$0	\$0	#DIV/0!
Public Authority	0	0	\$0	\$0	0
Totals Retail	7,250	107,825,987	7,979,170	\$1,101	14,873
Wholesale	0	0	\$0	\$0	0
<i>Other Revenues</i>	N/A	N/A	\$83,090	N/A	N/A
TOTALS	7,250	107,825,987	8,062,260	N/A	N/A

**Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2000**

Company	No. of Customers	kWh Sold	Average Revenues		Average kWh
			Revenues	Per Customer	Per Customer
South Central Arkansas Electric Cooperative, Inc.					
Residential	8,935	106,497,483	\$7,725,514	\$865	11,919
Irrigation	1	129,840	\$12,459	\$12,459	129,840
Commercial	474	13,623,288	\$941,190	\$1,986	28,741
Industrial	8	120,820,000	\$4,906,936	\$613,367	15,102,500
Public Authority	8	188,200	\$16,621	\$2,078	23,525
Totals Retail	9,426	241,258,811	\$13,602,720	\$1,443	25,595
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$66,819	N/A	N/A
TOTALS	9,426	241,258,811	\$13,669,539	N/A	N/A
Southwest Arkansas Electric Cooperative Corporation					
Residential	21,996	301,105,489	\$21,333,206	\$970	13,689
Irrigation	0	0	\$0	\$0	0
Commercial	1,646	68,304,126	\$4,833,753	\$2,937	41,497
Industrial	6	194,837,544	\$9,088,845	\$1,514,808	32,472,924
Public Authority	13	482,380	\$35,295	\$2,715	37,106
Totals Retail	23,661	564,729,539	\$35,291,099	\$1,492	23,868
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$515,757	N/A	N/A
TOTALS	23,661	564,729,539	\$35,806,856	N/A	N/A
Southwestern Electric Power Company					
Residential	84,788	970,572,288	\$62,225,688	\$734	11,447
Irrigation	0	0	\$0	\$0	0
Commercial	13,852	865,216,522	\$44,665,167	\$3,224	62,461
Industrial	565	1,774,195,049	\$70,215,762	\$124,276	3,140,168
Public Authority	942	103,310,085	\$7,291,270	\$7,740	109,671
Totals Retail	100,147	3,713,293,944	184,397,887	\$1,841	37,078
Wholesale	3	2,158,909,049	\$76,564,590	\$25,521,530	719,636,350
Other Revenues	N/A	N/A	\$15,083,807	N/A	N/A
TOTALS	100,150	5,872,202,993	\$276,046,284	N/A	N/A

**Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2000**

Company	No. of Customers	kWh Sold	Average Revenues		Average kWh
			Revenues	Per Customer	Per Customer
Woodruff Electric Cooperative Corporation					
Residential	13,868	174,842,334	\$14,057,764	\$1,014	12,608
Irrigation	3,829	62,518,694	\$5,068,054	\$1,324	16,328
Commercial	685	54,897,580	\$3,943,021	\$5,756	80,142
Industrial	9	66,041,960	\$3,100,262	\$344,474	7,337,996
Public Authority	10	308,528	\$32,269	\$3,227	30,853
Totals Retail	18,401	358,609,096	26,201,370	\$1,424	19,489
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$360,307	N/A	N/A
TOTALS	18,401	358,609,096	26,561,677	N/A	N/A
Industry Total Retail	1,203,434	36,226,623,602	2,107,512,353	N/A	N/A
INDUSTRY TOTALS	1,203,489	61,412,843,690	3,122,841,057	N/A	N/A

Gas Companies - Arkansas Only
Plant Investment; Operating Revenues
Year Ended December 31, 2000

Company	Plant Investment	Operating Revenues	Ratio (%) Operating Revenues/Investment
Arkansas Oklahoma Gas Corporation	\$69,618,417	\$55,538,555	80%
Arkansas Western Gas Company Northwest and Northeast Ark. Regions	\$211,235,566	\$134,029,164	63%
Reliant Energy, a division of Reliant Energy Resources Corporation	\$431,702,206	\$437,119,151	101%
TOTALS	\$712,556,189	\$626,686,870	88%

**Gas Companies - Arkansas Only
Customers; Mcf Sold; Revenues
Year Ended December 31, 2000**

Company	No. of Customers	MCF Sold	Revenues	Average Revenues Per Customer	Average MCF Per Customer
<i>Arkansas Oklahoma Gas Corporation</i>					
Residential	42,070	3,179,212	28,813,963	\$685	76
Commercial	5,430	1,762,606	21,400,594	\$3,941	325
Industrial	10	6,548,239	3,765,629	\$376,563	654,824
Public Authority	5	84,046	419,486	\$83,897	16,809
<i>Totals Without Other Revenues</i>	47,515	11,574,103	54,399,672	\$1,145	244
Other Revenues	N/A	N/A	1,138,883	N/A	N/A
TOTALS	47,515	11,574,103	55,538,555	N/A	N/A
<i>Arkansas Western Gas Company - Northwest and Northeast Arkansas Regions</i>					
Residential	116,693	9,259,074	69,033,003	\$592	79
Commercial	15,901	6,738,544	42,139,162	\$2,650	424
Industrial	229	3,245,348	17,120,019	\$74,760	14,172
Public Authority	0	0	0	\$0	0
<i>Totals Without Other Revenues</i>	132,823	19,242,966	128,292,184	\$966	145
Other Revenues	N/A	N/A	5,736,980	N/A	N/A
TOTALS	132,823	19,242,966	134,029,164	N/A	N/A
<i>Reliant Energy, a division of Reliant Energy Resources Corporation</i>					
Residential	397,002	29,757,780	256,299,427	\$646	75
Commercial & Industrial	50,917	23,379,015	165,144,203	\$3,243	459
Public Authority	0	0	0	\$0	0
<i>Totals Without Other Revenues</i>	447,919	53,136,795	421,443,630	\$941	119
Other Revenues	N/A	N/A	15,675,521	\$0	N/A
TOTALS	447,919	53,136,795	437,119,151	941	N/A
<i>Industry Totals Without Other Revenues</i>	628,257	83,953,864	604,135,486	\$0	134
INDUSTRY TOTALS	628,257	83,953,864	626,686,870	N/A	N/A

Incumbent Local Exchange Carriers (ILEC) - Arkansas Only
Revenues
Year Ended December 31, 2000

Company	Arkansas	Less	Arkansas Revenues
	Gross Revenues	Interstate Revenues	
ALLTEL Arkansas, Inc.	\$92,793,623	\$21,240,472	\$71,553,151
Arkansas Telephone Company, Inc.	\$6,081,516	\$2,217,253	\$3,864,263
Central Arkansas Telephone Cooperative, Inc.	\$2,934,603	\$1,088,544	\$1,846,059
CenturyTel of Arkansas, Inc.	\$24,966,174	\$13,762,666	\$11,203,508
CenturyTel of Central Arkansas, LLC	32,486,374	11,229,694	21,256,680
CenturyTel of Northwest Arkansas, LLC	31,854,340	11,014,314	20,840,026
CenturyTel of Mountain Home, Inc.	\$20,493,439	\$8,978,616	\$11,514,823
CenturyTel of Northwest Louisiana, Inc.	\$384,770	\$280,310	\$104,460
CenturyTel of Redfield, Inc.	\$3,015,819	\$898,608	\$2,117,211
CenturyTel of South Arkansas, Inc.	\$1,417,024	\$729,335	\$687,689
Cleveland County Telephone Company	\$3,733,398	\$1,203,485	\$2,529,913
Decatur Telephone Company	\$1,415,391	\$362,124	\$1,053,267
E. Ritter Telephone Company	\$4,703,954	\$1,544,546	\$3,159,408
GTE Midwest, Inc.	\$325,471	\$96,658	\$228,813
GTE of Arkansas, Inc.	\$48,873,129	\$17,614,201	\$31,258,928
GTE of the Southwest	\$46,238,880	\$13,615,875	\$32,623,005
Lavaca Tel Co., dba Pinnacle Communications	\$1,614,580	\$407,967	\$1,206,613
Madison County Telephone Co., Inc.	\$3,751,230	\$1,451,202	\$2,300,028
Magazine Telephone Company	\$778,166	\$459,211	\$318,955
Mountain View Telephone Company	\$5,079,252	\$2,332,347	\$2,746,905
Northern Arkansas Telephone Company	\$12,240,316	\$5,809,957	\$6,430,359
Ozark Telephone Company	\$135,541	\$89,377	\$46,164
Prairie Grove Telephone Company	\$7,285,750	\$2,155,484	\$5,130,266
Rice Belt Telephone Company, Inc.	\$1,131,603	\$441,722	\$689,881
Scott County Telephone Company	\$486,539	\$370,125	\$116,414
South Arkansas Telephone Company	\$3,994,157	\$1,124,178	\$2,869,979
Southwest Arkansas Telephone Coop., Inc.	\$6,707,716	\$3,691,950	\$3,015,766
Southwestern Bell Telephone Company	\$734,574,952	\$183,858,782	\$550,716,170
Tri-County Telephone Company	\$7,797,197	\$3,307,936	\$4,489,261
Valor Telecommunications of Texas, LP	\$1,795,704	\$386,286	\$1,409,418
Walnut Hill Telephone Company	\$10,099,083	\$5,593,376	\$4,505,707
Yelcot Telephone Company	\$4,625,318	\$2,051,535	\$2,573,783
Yell County Telephone Company, Inc.	\$5,942,180	\$2,541,385	\$3,400,795
Totals	\$1,129,757,189	\$321,949,521	\$807,807,668

Incumbent Local Exchange Carriers (ILEC) - Arkansas Only
Access Lines
Year Ended December 31, 2000

Company	Residential & Rural	Business	Total Lines
ALLTEL Arkansas, Inc.	84,383	23,961	108,344
Arkansas Telephone Company, Inc.	7,145	1,673	8,818
Central Arkansas Telephone Cooperative, Inc.	2,895	353	3,248
CenturyTel of Arkansas, Inc.	15,626	3,789	19,415
CenturyTel of Central Arkansas, LLC	74,912	16,423	91,335
CenturyTel of Northwest Arkansas, LLC	105,937	30,155	136,092
CenturyTel of Mountain Home, Inc.	17,962	5,344	23,306
CenturyTel of Northwest Louisiana, Inc.	312	45	357
CenturyTel of Redfield, Inc.	1,931	242	2,173
CenturyTel of South Arkansas, Inc.	664	131	795
Cleveland County Telephone Company	3,191	540	3,731
Decatur Telephone Company	829	540	1,369
E. Ritter Telephone Company	4,239	1,054	5,293
Lavaca Tel Co, dba Pinnacle Communications	1,600	207	1,807
Madison County Telephone Co., Inc.	2,822	891	3,713
Magazine Telephone Company	967	128	1,095
Mountain View Telephone Company	5,513	1,887	7,400
Northern Arkansas Telephone Company, Inc.	6,280	1,763	8,043
Ozark Telephone Company	105	14	119
Prairie Grove Telephone Company	8,496	1,341	9,837
Rice Belt Telephone Company, Inc.	347	785	1,132
Scott County Telephone Company	116	6	122
South Arkansas Telephone Company	3,321	807	4,128
Southwest Arkansas Telephone Coop., Inc.	5,209	583	5,792
Southwestern Bell Telephone Company	667,631	365,751	1,033,382
Tri-County Telephone Company	5,965	1,089	7,054
Valor Telecommunications of Texas, LP	13,829	4,092	17,921
Walnut Hill Telephone Company	4,568	837	5,405
Yelcot Telephone Company	3,101	946	4,047
Yell County Telephone Company	4,331	1,471	5,802
TOTALS	1,054,227	466,848	1,521,075

Competitive Local Exchange Carriers (CLEC) - Arkansas Only
Revenues
Year Ended December 31, 2000

Company	Arkansas	Less	Arkansas Revenues
	Gross Revenues	Interstate Revenues	
1-800-Reconnect, Inc.	\$41,828	\$0	\$41,828
@link Networks, Inc.	\$0	\$0	\$0
Accutel of Texas, Inc.	\$0	\$0	\$0
Actel Integrated Communications, Inc.	\$0	\$0	\$0
ACSI Local Switched Services d/b/a e.spire	\$2,094,985	\$0	\$2,094,985
Adelphia Business Solutions of Ar. LLC	\$5,587,912	\$1,699,113	\$3,888,799
Alltel Communications, Inc.	\$42,782,076	\$16,210,907	\$26,571,169
American Comm. Services of LR, Inc.	\$1,432,965	\$1,432,965	\$0
Annox, Inc.	\$2,137	\$0	\$2,137
Arkansas State Telephone	\$0	\$0	\$0
AT&T Communications of the SW, Inc.	\$76,008,429	\$0	\$76,008,429
BarTel Communications, Inc.	\$3,616	\$0	\$3,616
BasicPhone Incorporated	\$14,126	\$0	\$14,126
BellSouth, Inc.	\$0	\$0	\$0
Brooks Fiber Communications of AR, Inc.	\$999,790	\$99,979	\$899,811
Business Telecom, Inc.	\$62,603	\$46,711	\$15,892
Buy-Tel Communications, Inc.	\$51	\$0	\$51
Caprock Telecommunications Corporation	\$122,590	\$101,101	\$21,489
CCCAR, Inc. dba Total Connect!	\$0	\$0	\$0
Choctaw Communications, Inc.	\$1,346,145	\$0	\$1,346,145
Ciera Network Sysyems, Inc.	\$0	\$0	\$0
Comm South Companies, Inc.	\$5,535,700	\$0	\$5,535,700
Connect Communications Corporation	\$15,912	\$0	\$15,912
Connection One Communications Corp.	\$0	\$0	\$0
Delta Phones, Inc.	\$1,163,077	\$0	\$1,163,077
Digital Teleport, Inc.	\$995,758	\$995,758	\$0
DMJ Communications, Inc.	\$0	\$0	\$0
dPi TeleConnect, LLC	\$1,374,571	\$0	\$1,374,571
DSLnet Communications, LLC	\$6,165	\$0	\$6,165
DVC Enterprises, Inc. dba DVC Telecom	\$4,942	\$0	\$4,942
EZ Phone, Inc.	\$2,292	\$0	\$2,292
EZ Talk Communications, LLC	\$84,466	\$0	\$84,466
Fairpoint Communications Solutions Corp.	\$0	\$0	\$0
Global Crossing Telemanagement, Inc.	\$0	\$0	\$0
Go-Tel Inc. of Dallas Texas	\$386,035	\$0	\$386,035
Group Long Distance, Inc. dba GLD	\$1,548	\$0	\$1,548
HJN Telecom, Inc.	\$0	\$0	\$0
Home-Tel, Inc.	\$2,579,354	\$0	\$2,579,354
Intermedia Communications, Inc.	\$1,555,632	\$1,006,066	\$549,566
Ionex Communications South, Inc.	\$70,124	\$18,232	\$51,892

Competitive Local Exchange Carriers (CLEC) - Arkansas Only
Revenues
Year Ended December 31, 2000

Company	Arkansas Gross Revenues	Less Interstate Revenues	Arkansas Revenues
ITC^DeltaCom Communications, Inc.	\$1,345,943	\$614,462	\$731,481
KMC Telecom III, Inc.	\$0	\$0	\$0
KMC V, Inc.	\$0	\$0	\$0
Larry Baldwin dba NEA Telecom	\$276,193	\$0	\$276,193
Logix Communications Corporation	\$167,979	\$75,372	\$92,607
Credit Loans Inc. dba Lone Star State Tel. Co.	\$1,567	\$0	\$1,567
Maxcess, Inc.	\$0	\$0	\$0
Max-tel Communications, Inc.	\$387,629	\$0	\$387,629
Mpower Communications Central Corp.	\$0	\$0	\$0
MVX. Com Communications	\$0	\$0	\$0
Navigator Telecommunications, LLC.	\$3,918,346	\$475,952	\$3,442,394
New Edge Network, Inc.	\$5,837	\$5,837	\$0
NOW Communications, Inc.	\$66,663	\$499	\$66,164
NuVox Comm. Of Arkansas, Inc.	\$644,514	\$55,572	\$588,942
Omniplex Communications Group, LLC	\$32,172	\$6,760	\$25,412
Pathnet, Inc.	\$40,536	\$40,536	\$0
Payroll Advance, Inc.	\$0	\$0	\$0
Pearson-Vail LLC	\$264,142	\$0	\$264,142
Phone-Link, Inc.	\$0	\$0	\$0
Preferred Carrier Services	\$6,909	\$0	\$6,909
Q-Net Communications, Inc.	\$0	\$0	\$0
Reitz Rentals, Inc. dba SW TeleConnect	\$14,111	\$0	\$14,111
Robert's Communications, Inc.	\$83,600	\$0	\$83,600
SBC Advanced Solutions, Inc.	\$10,692,314	\$7,590,244	\$3,102,070
ServiSense.Com, Inc.	\$0	\$0	\$0
Snappy Phone of Texas, Inc.	\$235,269	\$0	\$235,269
Southern Telecom Network, Inc.	\$0	\$0	\$0
Sprint Communications Company LP	\$12,546,977	\$0	\$12,546,977
State Discount Telephone	\$29,200	\$0	\$29,200
Supra Telecommunications & Info Systems Inc.	\$0	\$0	\$0
Sure-Tel, Inc.	\$408,090	\$0	\$408,090
Talk.com Holding Cor., f/k/a Tel-Save, Inc.	\$3,029,908	\$1,563,148	\$1,466,760
TCA Communications, Inc.	\$219,909	\$0	\$219,909
Tele-Save	\$53	\$0	\$53
Teligent Services, Inc.	\$19,260	\$14,319	\$4,941
Tel-South Communications, Inc.	\$0	\$0	\$0
Tipton Construction Company of Texas, Inc.	\$0	\$0	\$0
Universal Telecom, Inc. dba Universal Comms.	\$0	\$0	\$0
U.S. WEST Interprise America, Inc.	\$48,986	\$48,986	\$0
USLD Communications, Inc.	\$14,433	\$0	\$14,433
Vartec Telecom, Inc.	\$12,012,914	\$6,757,043	\$5,255,871
Vectris Telecom, Inc.	\$846	\$846	\$0
Verizon Select Services, Inc.	\$10,306,423	\$5,053,328	\$5,253,095
Winstar Wireless, Inc.	\$98,415	\$9,394	\$89,021
Totals	\$201,193,967	\$43,923,130	\$157,270,837

Competitive Local Exchange Carriers (CLEC) - Arkansas Only
Access Lines
Year Ended December 31, 2000

Company	Residential & Rural	Business	Total
1-800-Reconex, Inc.	44	0	44
@link Networks, Inc.	0	0	0
Accutel of Texas, Inc.	0	0	0
Actel Integrated Communications, Inc.	0	0	0
ACSI Local Switched Services d/b/a e.spire	0	8,503	8,503
Adelphia Business Solutions of Ar. LLC	0	6,519	6,519
Alltel Communications, Inc.	6,888	32,937	39,825
American Comm. Services of LR, Inc.	0	0	0
Annox, Inc.	0	0	0
Arkansas State Telephone	0	0	0
AT&T Communications of the SW, Inc.	0	4,526	4,526
BarTel Communications, Inc.	18	0	18
BasicPhone Incorporated	368	5	373
BellSouth BSE, Inc.	0	0	0
Brooks Fiber Communications of AR, Inc.	0	572	572
Business Telecom, Inc.	0	0	0
Buy-Tel Communications, Inc.	1	0	1
Caprock Telecommunications Corporation	0	0	0
CCCAR, Inc. dba Total Connect!	0	0	0
Choctaw Communications, Inc.	1,835		1,835
Ciera Network Systems, Inc.	0	0	0
Comm South Companies, Inc.	8,032		8,032
Connect Communications Corporation	0	274	274
Connection One Communications Corp.	0	0	0
Delta Phones, Inc.	3,500	0	3,500
Digital Teleport, Inc.	0	0	0
DMJ Communications, Inc.	0	0	0
dPi TeleConnect, LLC	2,771	0	2,771
DSLnet Communications, LLC	0	0	0
DVC Enterprises, Inc. dba DVC Telecom	39	0	39
EZ Phone, Inc.	2	0	2
EZ Talk Communications, LLC	403	0	403
Fairpoint Communications Solutions, Corp.	0	0	0
Global Crossing Telemanagement, Inc.	0	0	0
Go-Tel, Inc. of Dallas Texas	2,280	0	2,280
Group Long Distance, Inc. dba GLD	0	0	0
HJN Telecom, Inc.	0	0	0
Home-Tel, Inc.	6,100	0	6,100
Intermedia Communications, Inc.	0	0	0
Ionex Communicartion South, Inc.	0	0	0

Competitive Local Exchange Carriers (CLEC) - Arkansas Only
Access Lines
Year Ended December 31, 2000

Company	Residential & Rural	Business	Total
KMC Telecom V. Inc.	0	0	0
Larry Baldwin dba NEA Telecom	642	0	642
Logix Communications Corporation	228	2,972	3,200
Credit Loans Inc. dba Lone Star State Tel. Co.	0	0	0
Maxcess, Inc.	0	0	0
Max-tel Communications, Inc.	387	0	387
Mpower Communications Central Corp.	0	0	0
MVX.Com Communications, Inc.	0	0	0
Navigator Telecommunications, LLC	6,170	1,314	7,484
New Edge Network, Inc.	0	0	0
NOW Communications, Inc.	149	0	149
NuVox Communications of Arkansas, Inc.	0	1,204	1,204
Omniplex Communications Group, LLC	1	50	51
Pathnet, Inc.	0	0	0
Payroll Advance, Inc.	307	0	307
Pearson-Vail LLC	750	0	750
Phone-Link, Inc.	0	0	0
Preferred Carrier Services	75	0	75
Q-Net Communications, Inc.	0	0	0
Reitz Rentals, dba SW Teleconnect	39	0	39
Robert's Communications, Inc.	300	0	300
SBC Advanced Solutions, Inc.	0	0	0
ServiSense. Com, Inc.	0	0	0
Snappy Phone of Texas, Inc.	283	0	283
Southern Telcom Network, Inc.	0	0	0
Sprint Communications Company LP	0	0	0
State Discount Telephone	0	0	0
Supra Telecommunications & Info Systems, Inc	0	0	0
Sure-Tel, Inc.	1,066	0	1,066
Talk.com Holding Cor., f/k/a Tel-Save, Inc.	0	0	0
TCA Communications, Inc.	0	0	0
Tele-Save	1	0	1
Teligent Services, Inc.	0	0	0
Tel-South Communications, Inc.	0	0	0
Tipton Construction Company of Texas, Inc.	0	0	0
Universal Telecom, Inc. dba Universal Comm.	0	0	0
U.S. WEST Interprise America, Inc.	0	0	0
USLD Communications, Inc.	0	0	0
Vartec Telecom, Inc.	0	0	0
Vectris Telecom, Inc.	0	0	0
Verizon Select Services, Inc.	0	0	0
Winstar Wireless, Inc.	0	0	0
TOTALS	42,679	58,876	101,555

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenue; System Revenues
Year Ended December 31, 2000**

Company	Arkansas Revenues	System Revenues	Ratio (%)
			Arkansas/System Revenues
360 Long Distance, Inc. dba Alltel	\$62,145	\$165,103	37.64%
360 Networks (USA) Inc.	\$0	\$0	0.00%
A South Pay Phones	\$6,408	\$6,408	100.00%
ACC National LD now AT&T	\$25,035	\$71,832,161	0.03%
Access One, Inc.	\$1,123	\$5,493,696	0.02%
Access Line LD Services	\$210	\$0	0.00%
Access Point, Inc.	\$5,145	\$18,566,582	0.03%
ACN Communications Services, Inc.	\$12,613	\$5,519,706	0.23%
Adelphia Telecommunications, Inc.	\$0	\$0	0.00%
Advanced Payphones	\$6,961	\$12,342	56.40%
Advanced Tel, Inc. d/b/a EATEL	\$0	\$7,576,380	0.00%
Advantage Telecommunications, Corp	\$23,413	\$3,600,000	0.65%
Affinity Corporation	\$0	\$0	0.00%
Affinity Network, Inc.	\$0	\$1,801,545	0.00%
Airnex Communications, Inc.	\$1,462	\$11,277,200	0.01%
Alliance Group Services, Inc.	\$184,228	\$34,084,131	0.54%
Alternate Communications Technology, Inc.	\$0	\$0	0.00%
American Farm Bureau, Inc.	\$66,379	\$5,138,603	1.29%
American Long Lines, Inc.	\$1,641	\$24,264,301	0.01%
American Nortel Communications, Inc.	\$72,085	N/A	0.01%
American Telecommunications Systems, Inc.	\$3,010	\$563,300	0.53%
Americatel Corporation	\$310	\$210,905,273	0.00%
Amerivision Communications, Inc.	\$458,042	\$99,993,000	0.46%
ARC Networks, Inc.	\$0	\$27,128,396	0.00%
Arkansas Payphone, Inc.	\$67,315	\$67,315	100.00%
Arrival Communications, Inc.	\$0	\$0	0.00%
Artech, LLC	\$10,042	\$13,279	75.62%
AS Telecommunications dba All Star	\$8,423	\$7,362,820	0.11%
ASC Telcom, Inc.	\$223,772	\$111,994,428	0.20%
Association Administrators, Inc.	\$874	\$2,009,364	0.04%
Atlas Communications, LTD	\$1,066	\$385,392	0.28%
AXES, Inc.	\$7,464	\$9,363,025	0.08%
BCGI Communications Corp.	\$0	\$0	0.00%
Bell Atlantic Communications, Inc.	\$362	\$130,208,041	0.00%
Bellsouth Long Distance, Inc.	\$0	\$2,251,311	0.00%
Big Planet, Inc.	\$848	\$2,802,612	0.03%
Blackstone Communications Company, Inc.	\$0	\$0	0.00%
BLT Technologies	\$136,389	\$781,526	17.45%
Broadwing Communications Services Inc.	\$0	\$0	0.00%
Broadwing Telecommunications Inc.	\$1,060,389	\$2,351,442	45.10%
Budget Call Long Distance	\$0	\$8,442,815	0.00%
Buehner-Fry, Inc.	\$161	\$5,184,128	0.00%

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenue; System Revenues
Year Ended December 31, 2000**

Company	Arkansas Revenues	System Revenues	Ratio (%)
			Arkansas/System Revenues
Burroughs Communications	\$1,200	\$1,200	100.00%
Business Discount Plan, Inc.	\$100,828	\$358,504	28.12%
Cable & Wireless Global Card Services	\$1,124	\$4,372	25.71%
Cable and Wireless Global Markets, Inc.	\$0	\$0	0.00%
Cable and Wireless USA, Inc.	\$483,562	\$1,284,647	37.64%
Call Processing, Inc.	\$847	\$1,352,538	0.06%
Call West Communications	\$611	\$35,503	1.72%
Capsule Communications	\$22,853	\$37,300,822	0.06%
Carol A. Canada	\$0	\$0	0.00%
Casco Pay Phones	\$7,500	\$570,000	1.32%
Century Tel Telecommunications, Inc.	\$16,308	\$4,001,322	0.41%
CenturyTel Long Distance, Inc.	\$2,908,117	\$105,764,419	2.75%
CEO Telecommunications, Inc.	\$932	\$2,329,497	0.04%
Cincinnati Bell Long Distance, Inc.	\$6,828	\$94,694,498	0.01%
Cinemark USA, Inc.	\$9,663	\$9,663	100.00%
Citizens Telecommunications Company	\$1,019	\$13,377	7.62%
Claricom Networks, Inc.	\$76,601	\$72,092,926	0.11%
Coast International, Inc.	\$5,686	\$4,340,670	0.13%
Cole Davis	\$227	\$227	100.00%
Coleman Enterprises, Inc.	\$18,279	\$3,028,309	0.60%
Combined Billing Corporation	\$70,087	\$6,199,579	1.13%
Comcast Telecommunications, Inc.	\$3,413	\$25,215,010	0.01%
Comdata Telecommunications Services	\$54,152	\$14,132,134	0.38%
Commrad.Com	\$0	\$0	0.00%
Communicate Technological Systems, Inc.	\$7,750	\$1,814,920	0.43%
Communication Telesystems Int'l. dba World Exchange	\$89,855	\$303,641,564	0.03%
Communications Billing, Inc.	\$14,895	\$2,355,841	0.63%
Communications Central of Georgia, Inc.	\$0	\$0	0.00%
Communigroup of Arkansas, Inc.	\$750,331	\$1,242,468	60.39%
Communigroup of K.C., Inc.	\$114,867	\$19,370,128	0.59%
Comtech 21, LLC	\$109	\$163,683	0.07%
Com-Tech Resources	\$39,167	\$8,270,256	0.47%
Concert Communications Sales, LLC	\$0	\$1,591,137	0.00%
Connect America Communications	\$0	\$2,510,555	0.00%
Connect! LD, Inc.	\$10,365	\$10,365	100.00%
Connie West Payphones	\$687	\$687	100.00%
Convergent Communications Services, Inc.	\$6,455	\$13,050	49.46%
Corporate Billing Management, Inc.	\$0	\$0	0.00%
Covista, Inc. f.k.a. Total, Inc.	\$0	\$36,020,270	0.00%
CRG International, Inc.	\$1,670	\$28,096,155	0.01%
CTC Communications Corp.	\$305	\$193,772,944	0.00%
Cybertel Communications Corporation	\$29	\$224,360	0.01%

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenue; System Revenues
Year Ended December 31, 2000**

Company	Arkansas Revenues	System Revenues	Ratio (%)
			Arkansas/System Revenues
D.D.D. Calling, Inc.	\$0	\$128,153	0.00%
Davetel, Inc.	\$0	\$0	0.00%
Delta Pay Phones	\$0	\$0	0.00%
Devore Communications	\$176,121	\$275,408	63.95%
Dewey Pruitt	\$4,256	\$5,779	73.65%
Diller PayPhone	\$720	\$720	100.00%
E. Ritter Long Distance, Inc.	\$52,149	\$276,320	18.87%
Eastern Telecommunications Inc.	\$0	\$238,010	0.00%
Easton Telecom Services, Inc.	\$590	\$8,044,284	0.01%
Electric Lightwave, Inc.	\$1,899	\$469,244,136	0.00%
e.Meritus Communications, Inc.	\$829,726	\$170,382,109	0.49%
Enhanced Communications Network, Inc.	\$278	\$438,110	0.06%
Enhanced Communications Group LLC	\$2,919	\$749,477	0.39%
Enhanced Communications Network, Inc.	\$0	\$15,290	0.00%
Equal Net Communications, Inc.	\$49,080	\$12,926,046	0.38%
Erbia Network, Inc.	\$23,432	\$3,849,768	0.61%
ETS Payphones, Inc.	\$46,501	\$75,857,502	0.06%
Evercom Systems, Inc.	\$1,709,407	\$234,262,744	0.73%
eVulkan, Inc.	\$0	\$0	0.00%
Excel Telecommunications, Inc.	\$2,994,790	\$702,750,587	0.43%
ezTel Network Services, LLC	\$0	\$0	0.00%
Federal Transtel, Inc.	\$0	\$0	0.00%
First World Communications	\$0	\$12,561,000	0.00%
Freedomstarr Communications, Inc.	\$4,931	\$3,770,088	0.13%
GE Capital Communication Services	\$34,989	\$31,221,793	0.11%
Globalcom.Inc.	\$1,670	\$21,707,496	0.01%
Gerlach Enterprises Inc.	\$0	\$0	0.00%
Global Crossing Bandwidth, Inc.	\$0	\$0	0.00%
Global Crossing North America Networks, Inc.	\$0	\$0	0.00%
Global Crossing Telecommunications, Inc.	\$646,373	\$846,640,113	0.08%
Global Tel*Link Corporation	\$674,663	\$25,637,493	2.63%
Global Time, Inc.	\$9	\$103,341	0.01%
GST Net, Inc.	\$145	\$11,159,033	0.00%
GTC Telecom	\$29,174	\$9,192,893	0.32%
Gulf Communications, LLC	\$0	\$7,462	0.00%
GVC Telecommunications Consulting	\$0	\$0	0.00%
Penny Hinson dba H & H Communications	\$339	\$339	100.00%
Hertz Technologies, Inc.	\$5,993	\$32,686,182	0.02%
Horton Communications	\$856	\$856	100.00%
Hotel Connect Management Inc.	\$21	\$439,359	0.00%
ICG Telecom Group, Inc.	\$0	\$25	0.00%
IDT America, Corporation	\$53,547	\$315,549	16.97%
I-Link dba Family Telecommunications	\$6,527	\$7,864,554	0.08%

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenue; System Revenues
Year Ended December 31, 2000**

Company	Arkansas Revenues	System Revenues	Ratio (%)
			Arkansas/System Revenues
Incomnet Communications Corp.	\$9,788	\$19,683,815	0.05%
Innovative Telecom Corporation	\$54	\$215	25.12%
Intellicall Operator Services, Inc.	\$251,077	\$120,064,157	0.21%
Intelnet International Corporation	\$0	\$0	0.00%
Intercontinental Communications Group	\$2,796	\$2,796	100.00%
International Telcom Ltd.	\$352	\$13,158,176	0.00%
Interoute-Retail, Inc.	\$170	\$18,529,000	0.00%
Int'l. Exchange Communications, Inc.	\$46,594	\$37,822,439	0.12%
Jack L. Hunter	\$99,210	\$99,210	100.00%
Jirehcom, Inc.	\$436	\$91,902	0.47%
JMC	\$3,778	\$3,778	100.00%
Johnny L. Lignitz	\$3,582	\$3,582	100.00%
KCI Long Distance, Inc.	\$0	\$0	0.00%
Kevin V. Morey	\$0	\$0	0.00%
LCI International Telecom Corp.	\$621,833	\$1,721,273	36.13%
LCR Telecommunications, LLC	\$0	\$0	0.00%
LDD, Inc.	\$0	\$0	0.00%
LD Exchange.com, Inc.	\$0	\$0	0.00%
Least Cost Routing, Inc.	\$96,217	\$13,793,474	0.70%
LECNET, Inc	\$0	\$0	0.00%
Legacy Long Distance International Level 3	\$8,760	\$1,380,764	0.63%
Lightyear Telecommunications, LLC	\$361	\$29,131,588	0.00%
Long Distance Billing Services, Inc.	\$0	\$0	0.00%
Long Distance of Michigan, Inc.	\$528	\$61,073,077	0.00%
Long Distance Wholesale Club	\$136,490	\$42,113,018	0.32%
Main Street Telephone Company	\$0	\$0	0.00%
Matrix Telecom	\$15,620	\$11,565,975	0.14%
MAXTEL USA, Inc.	\$0	\$0	0.00%
MCI Telecommunications Corp.	\$61,892,023	\$149,306,629	41.45%
MCI WorldCom Network Services, Inc.	\$258,294	\$830,956	31.08%
McLaughlin Vending	\$2,325	\$2,325	100.00%
McLeod USA Tele. Services, Inc.	\$60,999	\$545,034,691	0.01%
Metrocall, Inc.	\$238	\$299,857	0.08%
Natel, LLC	\$42,291	\$11,998,934	0.35%
National Accounts, Inc.	\$4,011	\$3,513,498	0.11%
Netlojix Telecom Inc.	\$0	\$2,686,600	0.00%
Net One International, Inc.	\$438	\$1,629,393	0.03%
NET2000 Communications Services, Inc.	\$0	\$32,847,739	0.00%
Network Billing Systems, L.L.C.	\$5,913	\$4,377,009	0.14%
Network Communications International Corp.	\$51,032	\$35,656,930	0.14%
NetworkIP, LLC	\$0	\$0	0.00%

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenue; System Revenues
Year Ended December 31, 2000**

Company	Arkansas Revenues	System Revenues	Ratio (%)
			Arkansas/System Revenues
Network Operator Services, Inc.	\$201,750	\$21,907,090	0.92%
Network Plus, Inc.	\$32,073	\$235,955,977	0.01%
Network Services Group, Inc.	\$56,711	\$105,782	53.61%
New Century Telecom, Inc.	\$129	\$253,749	0.05%
Newsouth Communications Corp.	\$0	\$80,880,727	0.00%
Norstan Network Services, Inc.	\$2,218	\$10,567	20.99%
Northwestern Digital Company	\$6	\$22	27.27%
NOS Communications, Inc.	\$131,503	\$70,250,793	0.19%
NOSVA Limited Partnership	\$1,084,175	\$258,326,193	0.42%
NXLD Company	\$328 n/a		0.42%
NYNEX Long Distance Company	\$0	\$11,828,956	0.00%
01 Communications of Arkansas, LLC	\$0	\$0	0.00%
OmniCall, Inc.	\$1,391	\$11,090,876	0.01%
One Call Communications	\$152,187	\$110,649,808	0.14%
OneStar Long Distance	\$38,723	\$70,268,503	0.06%
Operator Communications, Inc.	\$10,147	\$20,959,215	0.05%
Operator Service Company	\$5,313	\$8,056,273	0.07%
Opex Communications, Inc.	\$49,832	\$10,073,647	0.49%
Opus Correctional Inc.	\$68,246	\$6,625,903	1.03%
Ozark Telecom, Inc.	\$0	\$0	0.00%
Pac-West Telecomm, Inc.	\$37	\$10,785,595	0.00%
Paetec Communications, Inc.	\$2,618	\$104,592,374	0.00%
Paramount International Telecommunications, Inc.	\$0	\$7,300,000	0.00%
Paytel	\$0	\$0	0.00%
Paytel, Inc.	\$275	\$2,008	13.70%
PDS, Inc.	\$3,069	\$1,822,328	0.17%
Peoples Telephone Company, Inc.	\$0	\$0	0.00%
Phoenix Network, Inc.	\$3,242	\$20,923	15.49%
Phone Tel Technologies, Inc.	\$89,490	\$33,149,817	0.27%
PNG Telecommunications, Inc.	\$84,895	\$29,150,184	0.29%
Premiere Communications, Inc.	\$36,972	\$38,800,879	0.10%
Primus Telecommunications, Inc.	\$10,616	\$217,574,235	0.00%
Promise-Net Int'l., Inc.	\$16,511	\$1,420,791	1.16%
Promisevision Technology, Inc.	\$407	\$1,172	34.73%
PT-1 Communications	\$7	\$296,300,438	0.00%
PT-1 Counsel, Inc.	\$0	\$0	0.00%
PT-1 Long Distance, Inc.	\$257	\$59,907,147	0.00%
QAI, Inc.	\$7,152	\$3,154,590	0.23%
QCC, Inc.	\$5,153 n/a		0.23%
Qwest Communications Corp.	\$778,496	\$2,557,547	30.44%
Raymond and Pamela Ryba	\$378	\$418	90.43%
RCN Long Distance Company	\$0	\$0	0.00%

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenue; System Revenues
Year Ended December 31, 2000**

Company	Arkansas Revenues	System Revenues	Ratio (%)
			Arkansas/System Revenues
RDST, Inc.	\$198	\$2,179,175	0.01%
Reliable Communications	\$76,424	\$200,743	38.07%
River City Payphones, Inc.	\$1,025	\$1,041	98.46%
Ronnie L. and Piper P. Erwin	\$9,568	\$9,568	100.00%
RRV Enterprises, Inc.	\$18,638	\$10,299,970	0.18%
RSL Com U.S.A., Inc.	\$21,656	\$231,879,713	0.01%
Satellink Paging, LLC	\$0	\$0	0.00%
Setel, L.L.C.	\$0	\$0	0.00%
Seven Pines Communications	\$0	\$0	0.00%
Shared Communications Services	\$48	\$21,315,883	0.00%
Single Billing Services, Inc.	\$3,031	\$22,096,404	0.01%
Small Business Billing, Inc.	\$0	\$0	0.00%
Smartstop, Inc.	\$9,645	n/a	0.00%
Smart Way, Inc.	\$73	\$73	100.00%
Snip Link, LLC	\$0	\$383,543	0.00%
South Delta	\$0	\$0	0.00%
Special Accounts Billing Group, Inc.	\$0	\$0	0.00%
Speer Virtual Media, Ltp	\$60	\$0	0.00%
Sprint Payphone Services, Inc.	\$2,753	\$42,986,638	0.01%
St. Andrews Telecommunications	\$44	\$5,631,589	0.00%
Sterling Time Company	\$0	\$0	0.00%
Stormtel, Inc.	\$1,437	\$3,108,402	0.05%
TDS Long Distance Corporation	\$34,318	\$2,377,445	1.44%
Telaleasing Enterprises, Inc.	\$79,313	\$609,320	13.02%
Telcam Telecomm. Co. Of Americas	\$350	\$726,324	0.05%
Telcorp Ltd.	\$280	\$6,373,742	0.00%
Telecents Communications, Inc.	\$1,148	\$5,850	19.62%
Telecom Resources, Inc.	\$0	\$0	0.00%
Telecommunications Cooperative Network, Inc.	\$733	\$1,322,790	0.06%
Telecare, Inc.	\$17,990	\$4,783,574	0.38%
Telecommunications Resources, Inc.	\$16,773	\$4,157,494	0.40%
Teleconnect Long Distance Services	\$1,874,306	\$4,921,489	38.08%
Tele-Connect, Inc.	\$2,302	\$3,355,718	0.07%
Teleglobe USA	\$0	\$520,265,000	0.00%
Telegroup, Inc.	\$0	\$0	0.00%
Telephone Co. Central Florida	\$407	\$169,182	0.24%
Teletrust, Inc.	\$11,290	\$813,553	1.39%
Telmex USA, LLC	\$0	\$0	0.00%
Telscape USA, Inc.	\$4,737	\$31,293,421	0.02%
Texas Inmate Phones Communications	\$94,074	n/a	0.02%
The Free Network LLC	\$172	\$510,825	0.03%
TLX Communications, Inc.	\$1,573	\$14,500,000	0.01%

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenues; System Revenues
Year Ended December 31, 2000**

Company	Arkansas Revenues	System Revenues	Ratio (%)
			Arkansas/System Revenues
T-Netix, Inc.	\$0	\$0	0.00%
T-Nexit Internet Services, Inc.	\$0	\$0	0.00%
T-Nexit Telecommunications Services, Inc.	\$516,158	\$18,380,692	2.81%
Ton Services, Inc.	\$10,632	\$597,154	1.78%
Touch 1 Communications, Inc.	\$137,030	\$781,439	17.54%
Touch 1 Long Distance, Inc.	\$25,382	\$76,914	33.00%
Touch America, Inc.	\$0	\$0	0.00%
Tracy Simmons	\$3,247	\$4,394	73.90%
Trans National Communications, Inc.	\$5,199	\$16,746,696	0.03%
Transcommunications, Inc.	\$125,637	\$21,080,528	0.60%
Transnet Connect, Inc.	\$0	\$0	0.00%
Trescom USA, Inc.	\$0	\$0	0.00%
Tri-M Communications	\$2,285	\$9,933,588	0.02%
TTI National, Inc.	\$342,595	\$807,349	42.43%
U.S. Republic Communication, Inc.	\$0	\$0	0.00%
U.S. South Communications	\$288	\$0	0.00%
UKI Communications, Inc.	\$0	\$0	0.00%
United Communications Hub Inc.	\$3,206	\$7,343	43.66%
United Services Telephone, LLC	\$10,225	\$5,001,500	0.20%
United States Advanced Network, Inc.	\$1,406	\$70,414,093	0.00%
Univance Telecommunications, Inc.	\$7,619	\$27,727,089	0.03%
US West Long Distance, Inc.	\$4,358	\$28,158,936	0.02%
USA Digital Communications, Inc.	\$5,126	\$12,425	41.26%
USC TELECOM, INC.	\$20,654	\$4,715,295	0.44%
Value-Added Communications, Inc.	\$513	\$13,837	3.71%
Viatel Services, Inc.	\$142,257	\$301,777,519	0.05%
W3Com International, LLC	\$0	\$0	0.00%
Webnet Communications	\$208,621	\$7,994,837	2.61%
Westel, Inc.	\$7,763	\$19,582,004	0.04%
Williams Communications, Inc.	\$52,848	\$839,077,000	0.01%
Working Assets Long Distance	\$44,919	\$201,669	22.27%
XO Long Distance Services, Inc.	\$3,725	\$4,966	75.01%
Zenex Long Distance, Inc.	\$40,598	\$6,659,250	0.61%
Zone Telecom, Inc.	\$2,801	\$2,744,294	0.10%
Z-Tel Communications	\$613	\$118,895,462	0.00%
Totals	\$85,124,330	\$9,785,607,313	0.87%

Water & Sewer Companies - Arkansas Only
Plant Investment; Operating Revenues
Year Ended December 31, 2000

<u>Company</u>	<u>Plant Investment</u>	<u>Operating Revenues</u>	<u>Ratio (%) Operating Revenues/Investment</u>
Cental Arkansas Sewer System, Inc.	\$2,391,601	\$493,955	20.65%
Riviera Utilities of Arkansas, Inc.	\$1,448,812	\$305,281	21.07%
Sebastian Lake Public Utility Company	\$102,589	\$68,082	66.36%
Shumaker Public Service Corporation	\$701,103	\$315,468	45.00%
United Water Arkansas, Inc.	<u>\$33,615,683</u>	<u>\$7,632,610</u>	<u>22.71%</u>
TOTALS	<u>\$38,259,788</u>	<u>\$8,815,396</u>	<u>23.04%</u>

Water & Sewer Companies - Arkansas Only
Customers; Revenues
Year Ended December 31, 2000

			Average Revenues
Company	No. of Customers	Revenues	Per Customer
Central Arkansas Sewer System, Inc.			
Metered General	0	0	\$0
Unmetered General	1,329	493,255	\$371
Fire Protection	0	0	\$0
Other Customers	0	0	\$0
Totals Without Other Revenues	1,329	493,255	\$371
Other Revenues	N/A	700	N/A
TOTALS	1,329	493,955	N/A
Riviera Utilities of Arkansas, Inc.			
Metered General	509	208,487	\$410
Unmetered General	1,487	83,910	\$56
Fire Protection	0	0	\$0
Other Customers	0	0	\$0
Totals Without Other Revenues	1,996	292,397	\$146
Other Revenues	N/A	12,884	N/A
TOTALS	1,996	305,281	N/A
Sebastian Lake Public Utility Company			
Metered General	90	68,082	\$756
Unmetered General	0	0	\$0
Fire Protection	0	0	\$0
Other Customers	0	0	\$0
Totals Without Other Revenues	90	68,082	\$756
Other Revenues	N/A	0	N/A
TOTALS	90	68,082	N/A

Water & Sewer Companies - Arkansas Only
Customers; Revenues
Year Ended December 31, 2000

Company	No. of Customers	Revenues	Average Revenues Per Customer
<i>Shumaker Public Service Corporation</i>			
Metered General	544	133,325	\$245
Unmetered General	0	0	\$0
Fire Protection	64	64,948	\$1,015
Other Customers	2	112,830	\$56,415
<i>Totals Without Other Revenues</i>	610	311,103	\$510
Other Revenues	N/A	4,365	N/A
TOTALS	610	315,468	N/A
<i>United Water Arkansas, Inc.</i>			
Metered General	18,970	7,264,334	\$383
Unmetered General	0	0	\$0
Fire Protection	156	78,595	\$504
Other Customers	1	172,208	\$172,208
<i>Totals Without Other Revenues</i>	19,127	7,515,137	\$393
Other Revenues	N/A	117,473	N/A
TOTALS	19,127	7,632,610	N/A
<i>Industry Totals</i>			
<i>Without Other Revenues</i>	23,152	8,679,974	\$375
INDUSTRY TOTALS	23,152	8,815,396	N/A

APPENDIX C - RECEIPTS AND DISBURSEMENTS

RECEIPTS

Utility Assessments	\$8,315,288.00
Pipeline Safety Assessments	\$514,927.00
Other Filing Fees	\$143,591.90
Miscellaneous Fees	\$25,307.89
Federal Reimbursements	\$162,370.00
Refund to Expenditures-Prior Year	\$600.63
Refund to Expenditures-Current Yea	\$9,414.30
 Total Receipts	 <u>\$9,171,499.72</u>
 Less 1.5% Treasury Fees	 <u>\$137,039.00</u>
 Net Deposit	 <u>\$9,034,460.72</u>

DISBURSEMENTS

Regular Salaries	\$4,715,174.53
Extra Help	\$0.00
Group Insurance	\$466,411.78
Retirement	\$272,796.44
Federal Insurance Contributions	\$346,073.29
FICA-Agency Cost of Arcap	\$6,881.79
Career Recognition Payment	\$23,000.00
Postage	\$25,041.77
Telephone	\$155.96
Freight	\$12,382.70
Bank Charges	\$18.00
Printing by Dept. Of Corrections	\$1,076.32
Printing by D.F.A. Quick Copy	\$2,630.41
Advertising & Clipping Service	\$14,135.02
Film Processing	\$72.69
Building Maintenance	\$5,408.04
Furniture & Equipment Maintenance	\$7,081.26
Vehicle Maintenance	\$6,847.33
Rent of Office Space	\$582,500.00
Rent of Furniture & Equipment	\$68,069.45
Rent/Lease of Pagers	\$788.25
Rent Not Classified	\$11,884.16
Intrastate Meals & Lodging	\$35,967.97
Intrastate Mileage	\$1,197.70
Interstate Meals & Lodging	\$53,202.02
Interstate Mileage	\$742.98

Interstate Common Carrier	\$48,744.24
Interstate Other Travel	\$2,608.68
Administrative Fees & Services	\$613,400.49
Reimbursable Expenditures	\$21,727.36
Court Reporters	\$18,274.47
Vehicle Insurance	\$10,301.00
Building & Contents Insurance	\$2,066.00
Lease of Terminals	\$1,812.00
Centrex	65,942.55
Association Dues	40,799.50
Marketing & Redistribution Fees	61.99
Educational Fees	23,615.32
Non-Contract Services	6,324.16
Contract Labor	5,476.01
Vehicle Licenses	447.75
Credit Card Purchases	7,328.14
Stationary & Office Supplies	51,527.62
Photo Supplies	130.58
Subscriptions & Publications	36,418.03
Microfiche	5,098.14
Food, Catering	2,063.11
Clothing	228.93
Kitchen/Janitorial Supplies	1,374.16
Data Processing Supplies	13,292.66
Purchase of Data Processing Software	41,421.58
Sales & Use tax	4,644.78
Workers Compensation Premium Tax	2,464.07
 Total Disbursements	 <u>\$7,687,133.18</u>

CAPITAL EXPENDITURES

State Vehicles	1,574.66
Office Machines	6,043.59
Office Furniture	71,810.89
Photographic Equipment	3,004.19
Data Processing Equipment	105,218.96
Specialized Research Equipment	1,561.64
 Total Capital Expenditures	 \$189,213.93
 Total Disbursements Including Capital Expenditures	 <u>\$7,876,347.11</u>

THE ARKANSAS PUBLIC SERVICE COMMISSION DOES NOT DISCRIMINATE ON THE BASIS OF RACE, COLOR, NATIONAL ORIGIN, SEX, RELIGION, AGE OR DISABILITY IN EMPLOYMENT OR IN THE PROVISION OF SERVICES.